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STUDIES IN COOPERATIVE FARMING

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PREFACE

During 1955, in connection with the work of the Reorganisation Committee of the Panel on Land Reform set up by the Planning Commission, the Programme Evaluation Organisation arranged through its staff for the study of a number of selected cooperative farming societies in different parts of the country. The societies were suggested by State Governments. Each of them was visited by an Evaluation Officer who spent a few days in ascertaining the facts concerning its composition and working and prepared answers to the two questionnaires which are reproduced in the Appendix to this volume. The material so obtained has been brought together in this volume and edited where necessary in the light of the comments received from the Agriculture and Cooperative Departments of the State concerned.

Cooperative farming is a complex subject and involves questions of human relations, technical and financial assistance and incentives. The studies contained in this volume are, therefore, to be regarded as a first attempt to obtain accurate information about the working of cooperative farming societies. In the light of the experience gained, it is hoped to undertake further and more intensive studies in the coming months. It is hoped that the studies now published will be found useful by those interested in the subject for the light they throw on the working of the existing societies.

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STATE: BIHAR

SOCIETY: CHAURIHARWA CANE GROWERS CO-OPERATIVE SOCIETY LTD.

I. INTRODUCTORY

Year of establishment . .	The society was established in 1942, but the farm was started as an institution within the society in September 1945.
Location	Village Chauriharwa, Revenue, Thana—Shikarpur P. O. Ramnagar, Distt. Champaran.
Audit classification . .	"A"
Present number of members .	The present number of members in the Society is 30. But the number of members in the farm has been 10 from the beginning.
Land held	In the beginning the farm had only an area of 101·93 acres in 80 plots. The present number of plots is 167 covering an area of 209·60 acres. All this land is in a permanently settled area and the 10 members of the farm own permanent tenancy rights, in it. 70 acres of this farm are irrigated, for paddy cultivation only from a seasonal river. The river is blocked and the water inundates this acreage. Recently a tubewell has also been sunk in the village under the Sugarcane Development Scheme. 20 acres of the farm are deriving benefit from this source of irrigation. The land is comprised in 20 different blocks of various sizes.

II. GENERAL AND ECONOMIC CONDITIONS OF THE VILLAGE

Chauriharwa is a village of approximately 700 acres of land. The total population of the village is 200. The main castes living in the village are the scheduled ones *viz.* Chamber, Mushahar and Bhar. Next to them there are the tribal people known as Dhangur. There are a few Brahmins, Rajputs and Kayasthas also who have latterly acquired farming interest in this village. The 10 members of the farm are migrants from distant villages.

The people who actually work on the land are the scheduled castes and Changer and Tharu tribes. All other castes are simply owner cultivators. The economic condition of the labouring classes is very poor as compared to the owning classes. The average size of holding in the village is only about 2 to 2½ acres.

The chief crops grown here are: sugarcane, paddy and maize. No fruit or vegetable cultivation is done except for occassional banana clumps.

Village Chauriharwa is connected with Ramnagar, the police circle for it, by a kutcha road. It is 7 miles from Ramnagar. The subdivisional headquarter is at Bettiah which is connected by rail. The nearest N. E. Railway station for Chauriharwa is Harinagar at a distance of 8 miles. Postal and telegraphic facilities are available at Ramnagar. The only market available for people of this village is at Ramnagar. It is a daily bazar. The sugar factory is in Harinagar. The houses in the village are completely made of thatch. The area is open to sudden rush of rain and river water from the neighbouring hills of Nepal. Thus mud or pucca houses are not very suitable. One or two members of the farm have built small cottages in the village and better houses near Harinagar.

The climate and sanitary condition of the village are deplorable. Malaria and diseases of the spleen as well as cattle diseases are the bane of this region.

It may be mentioned that for a few months in the rainy season the village is cut off from Ramnagar by excessive waterlogging on the road. It can then be reached only on elephants.

III. Rights in Land

The land was originally held by individual members as tenants. Other plots purchased by the members in the village as well as in the neighbouring village Madhubani subsequent to the organisation of the farm, were also given over to it. In all 167 plots were purchased by the 10 members which have now been consolidated in 20 different blocks of different sizes. Further consolidation is not possible because land of other people comes in between the 20 blocks of the farm. Individual plots of members are not separately demarcated in the blocks, but are only recorded in prescribed forms. Each block therefore is a compact unit.

No land has been directly taken by the farm from the Govt. or any other source.

IV. Rights and Liabilities of Members

(i) The members retain their right to withdraw their land from the farm but only on its liquidation. Before liquidation individual shares cannot be transferred or leased out. No withdrawal of land has occurred till now. Rather, the acreage has increased from 101.93 acres to 209.60 acres.

(ii) Members are not required to put in any labour in the farm. As per rules, a sub-committee of three members inclusive of the Chairman and the Executive Officer has been formed to look after the management of the farm. Thus only 30% of the members have active responsibility while the other 70% give time to it only casually.

(iii) Members do possess numerous other holdings in other villages, districts, and in another State. Their holdings at different places are generally being managed by servants or relatives. The chief interest of the members now lies in their property in Chauriharwa. All of their holdings in the area of operation of this farm have however, been pooled together in the farm. Even the holding of one member in the neighbouring village Madhubani has been included in the farm.

(iv) Members are free to take loans from sources other than the Chauriharwa Society on security of property not already pledged to the farm.

(v) The liability of the members in respect of loans obtained through the society is limited to 10 times the share money paid by any member in the society, or 40% of the standing crop, whichever is less.

The rent of the entire land of the farm is paid on behalf of the individual members by the farm itself though receipts are obtained seperately for 10 members. The amount of rent paid by the Society is made good by it from the share of different members.

V. Organisation and Management

The entire land is managed as one farm for all agricultural purposes and is worked with the help of hired labourers. The sub-committee elected from amongst the members simply supervises the work done by hired labourers. The Executive Officer is the person responsible for the proper working of the farm, but the other two members of the sub-committee also help him a lot. The remaining 7 members come to the farm occassionally and specially in times of pressure of work and help in its management. To help the Executive Officer, three persons have been employed, one field man, one watchman and another watchman-cum-cleaner. For actual agricultural operations, hired labourers are engaged according to requirements at the different seasons.

The society maintains and has purchased all necessary equipment, livestock, machinery and implements. None of these things has been obtained from members.

As must have been evident from the above, the only function of the members is supervision and general management through an elected sub-committee. The present sub-committee has three members including the President and the Executive Officer. These three mostly reside at Harinagar and Chauriharwa. Of the other members three reside at Ramnagar, but others are at somewhat distant places.

For electing a sub-committee an annual general meeting of the members should be held within two months of an official audit. At such a meeting the election of members and other office bearers of the sub-committee should take place. This farm has never been audited. However, sub-committees have been elected twice since its birth. At both these elections the same three members were elected.

The President of the sub-committee is a matriculate. His share in the farm consists of one of the two biggest plots, measuring 74.58 acres. His duty is to preside over and advise in the deliberations of the sub-committee, or the general body. He lives close to the farm at Ramnagar. Being near the factory he generally engages himself in watching the weighing of cane at the factory, in the cane supply season. He is also the Joint-Secretary of the Cooperative Development and Cane Marketing Union, Harinagar. He owns some more landed property in a nearby village. The Executive Officer of the sub-committee who lives in Chauriharwa is a non-matriculate but he is sufficiently educated to carry on the work. He receives an honorarium of Rs. 125/- P.M. from the farm. As the Executive Officer he not only supervises all the operations of the farm but also works as Accountant and Treasurer for it. His whole interest is centred in the farm alone. He has virtually given up his original holdings in U.P. In this farm his share consists of 11.41 acres. All the prescribed books and registers of the farm are maintained by him.

The third member of the sub-committee is comparatively young and is quite energetic. He too has built a cottage for himself at Chauriharwa. His share in the farm is 9.94 acres. He still holds land in U.P. which is managed by servants. He is literate and is also working as the Cashier of the Chauriharwa Cane Growers Co-operative Society. He helps the Executive Officer in maintaining the accounts of the farm also.

Except for the Executive Officer none of the other members get honorarium or any special facility from the farm.

The members have cooperated in the farm by way of agreeing to their land being consolidated in the different blocks of the farm. They further cooperate in non-farm operations as described above.

All farm equipment, livestock and machinery etc. are retained by the farm mainly for itself and these are not made available to non-members. Only the tractor is sometimes hired out if free from farm work. The rates of its hiring are Rs. 22 per acre for ploughing, Rs. 8/- per acre for first harrowing and Rs. 7/- per acre for second harrowing.

As per Rules of Business, annual programme of rotation, purchase of fertilisers, seed and implements and any other work to be taken up is prepared and placed before the member of the sub-committee or any other member who may be present. In preparing this plan the Executive Officer occasionally takes the help of the Agriculture Inspector posted at Harinagar under the Sugarcane Development Scheme. It is a unique feature here that the Cane Marketing Union of this place has appointed a Development Officer of its own. He is to advise the societies falling under the Union on agricultural and other development matters.

In preparing his annual programme the Executive Officer is very much helped by the Development Officer.

Blocks of land.—In all there are 20 blocks. The largest of these is 48.74 acres, and the smallest 3.25 acres. The blocks are not managed as separate units. Operations are taken up one after the other or simultaneously according to the time and labour available for the particular operation. Cane is sown one year, and is allowed to stand for the second year also. After two years under cane, the land is left fallow for the third year. From the fourth year the same routine follows. No fallowing is done in respect of paddy lands.

In the busy seasons of harvesting and supply, about 50 labourers are engaged per day for scrapping and 15 others for carting sugarcane to the mill. This whole work is allotted to groups of labourers who scrape and transport the cane to the mills' weighing shed. After weighing, the mill issues chits to them specifying maundage received. These chits are presented by the labourers to the Executive Officer. Payment of wages is done on piece rates, *i.e.*, on maunds of cane transported to mill. The labourers get annas -/1/6 per maund for scrapping and annas -/4/- for transporting cane. Mostly they bring their own bullock carts. In case, the cane is taken on the farm carts only -/1/6 per maund is paid. For other operations daily labourers are engaged, at rates prevailing in the area, which are between Re. 1/- and 1/4/- per day. In the busy season, about 20 men are engaged daily and in the slack season, about 15 are constantly employed. It may be noted that 11 of these daily labourers are working in this farm, from the very beginning.

Wage rates do not vary much between the busy and slack seasons. However, female labour employed for sowing is given only annas -/12/- per day.

Credit is available to the farm from the society and from its own members. The society in its turn takes loans from the Harinagar Sugar Mill, Government Cane Growers Union and from its own members. Implements are purchased by the farm from the open market or through the Union. The tractor was purchased with a loan taken from the Government. In the matter of seed, the farm is not only self sufficient but also supplies to other societies. It gets the seeds from Pusa Government Farm through the sugar factory. The Pusa Farm allots quotas to different factories which they sell to growers in their reserve area. The Union Development Officer is trying to get such a quota directly from the Pusa Farm. The farm is using the latest disease resistant varieties of cane. By using such varieties the need of plant protection measures have not been felt so far. It is reported, however, that the Union has not purchased spraying instruments and insecticides for supply to the societies. In the matter of manure too the farm is self sufficient. It has 4 huge compost pits with capacities of about 100 cart loads each. Instructions in composting were given by the Agriculture Inspector sometime earlier. Fertilisers are purchased either from the Agricole Depot or from the mill, through the Union. The Agricole Depot may give it either on cash payment or credit. Marketing is no problem as the farm is in the reserve areas of the Harinagar Sugar Mill and all its produce goes to that factory. Paddy crop is not much and is either distributed among members and workers as dividend or wages or is sold in the open market. For transporting its produce the farm has purchased four Dunlop-tyre carts. But mostly the sugarcane is taken to the mill by the labourers on their own carts. There is no need of storing the produce for a long time at the farm. Only the traditional type of split Bamboo/seed godowns have been built at the farm. Construction of a pucca seed store with the help of the N.E.S. block is under consideration.

VI. Distribution of Income

As none of the members perform any agricultural operations on the farm themselves hired labourers are engaged for working the farm on terms explained earlier. The Executive Officer has the right to cut wages if work is not according to the prescribed standards.

Ownership dividend is given to the individual members in lieu of their share of land in the farm. It is a good feature that all the land is of a common type and no distinction has to be made about

the quality of different plots when distributing dividends. So far, the dividend has been declared at 50 per cent. of the net income. The balance of 50 per cent. has been utilised for other expenses and for creating an unspecified fund. It is being shown as profit in the balance sheet. Under Rule 26 of the Cooperative Farming Rules, 50 per cent. of the profit after deducting depreciation will be distributed as dividends. The other half is to go for the reserve fund, repair fund and working capital. The members of the farm are waiting for an audit, after which proper allocation of funds as per rules will be done. All members are satisfied on this score. The following table shows yearwise distribution of the income of the farm among its members.

Serial No.	Year of accounting	Amount distributed	Remarks
		Rs. A. P.	
1	1946-47	1,985 0 0	The payments are exclusive of the amount paid or to be paid as share of profit as per rules. This has not yet been done for want of an audit.
2	1947-48	6,320 0 0	
3	1948-49	12,656 0 0	
4	1949-50	13,536 0 0	
5	1950-51	12,656 0 0	
6	1951-52	26,235 5 0	
7	1952-53	18,844 0 9	
8	1953-54	28,403 6 3	

The prevailing rent of land in the village is about Rs. 1/8/- per acre. As against this the dividend in 1953-54 worked out to about Rs. 135 per acre. No further payment of loans or profit was made to the members over and above the ownership dividend.

At present no allocation of funds is being made for investments, calamities or development. All such expenditures are met out of the 50 per cent. of the income, left after distributing dividends.

VII. State Assistance

No subsidy has been received from the Government. In 1949-50 the farm took a loan of Rs. 5,000 from the Government for the purchase of a tractor. It is a long term loan repayable by instalments, in 10 years the rate of interest being 4 per cent. per annum. For the first 3 years, it remains as an interest free loan. In the 4th year, Rs. 1,500 are repaid and the balance amount along with interest is paid back in 7 annual instalments

The farm pays a total annual rent of Rs. 350/-. No reduction in rent or cess has been made by the Government for it. The annual cess payable by the farm is Rs. 30/-. A tubewell has recently been installed in the village but the farm will not get any special reduction in water rates. Though payment has not yet been made for use of water, it is known that payment will have to be made at the rate of Rs. 4/- per 30,000 gallons consumed. As regards Agri. Income Tax all cooperative institutions are exempt from it.

The Cooperative Department has posted a supervisor here. He is supposed to be specially looking after this farm in addition to other light duties of the Department. He is paid by the Government a special allowance of Rs. 15/- per month for this purpose. It is however, observed that in addition to the farm the supervisor was holding jurisdiction over 36 cooperative societies also. He reported that he was able to spend about 5 days in a month on farm work.

The Cooperative Organiser inspects this farm once a year. The farm also sometimes comes under the inspection of the Assistant Registrar.

The Agricultural Inspector under the Sugarcane Development Scheme who is posted at Ramnagar has sometimes helped the farm by his technical advice. Such help is, however, few and far between and none of the parties appears to be anxious about it. It is reported that some assistance was once received by the field staff of the Veterinary department also.

The chief helper of the farm is the Cooperative Union which maintains contacts with Government departments, *e.g.*, it procures sugarcane seeds from the Pusa Farm. No priorities for obtaining cultivable waste land for the farm have been granted by the Government.

The consolidation of the blocks was done by the farm itself by removing small boundaries between the holdings of a block and by partially fencing the blocks. The cost of this was negligible and no claim has been made for this from the Government.

VIII. Finance

The present capital of the society is made up as follows:

(a) Contributed by members—Rs. 4,000.

(b) Government subsidy—Nil.

(c) Balance of Government loan—Rs. 2,500.

(d) Obtained from Central Cooperative Bank or other co-operative institution—Nil

(e) Obtained out of the income of the farm—Rs. 12,780 (net profit upto 30-6-55)

(f) Loan on mortgage of land—Nil.

The up-to-date loan position of the farm is given below:—

Year	Name of financing agency	Amount taken	Amount repaid	Balance due
1	2	3	4	5
		Rs. A. P.	Rs. A. P.	Rs. A. P.
1945-46	Sugar Mill . . .	3,000 0 0	Nil.	3,000 0 0
1946-47		Nil.	Nil.	3,000 0 0
1947-48	(a) Provincial Bank . (b) Union .	4,000 0 0 6000 0 0	(a) 4,000 0 0 (b) 400 0 0 (c) 3,000 0 0	200 0 0
1948-49	(a) Union . . . (b) Provincial Bank .	40 0 0 4,000 0 0	4,200 0 0	40 0 0
1949-50	(a) Provincial Bank . (b) Government loan .	4,790 0 0 5,000 0 0	4,790 0 0	5,040 0 0
1950-51	Provincial Bank . .	4,600 0 0	4,600 0 0	
1951-52	Provincial Bank . .	5,421 8 0	5,421 8 0	
1952-53	Nil	Nil.	1,540 0 0	3,500 0 0
1953-54	(a) State Bank . . (b) Union . . .	9,000 0 0 5,885 0 0	14,947 12 0	3,437 4 0

By June, 1955 all the above loans had been cleared off except for Rs. 2,500 which is to be paid to the Government in instalments.

In addition to the above mentioned loans the farm quite frequently borrows from its members for meeting current expenses. Thus, at present it owes Rs. 4,000 to two members which was taken by it in 1954. It will be repaid from the sale proceeds of the current produce.

As mentioned earlier all the livestock and equipment of the farm is its own property and nothing has been contributed by the

members. The following figures will show the value of its various stocks.

Year	Nature of stock purchased and value of the same			
	Bullocks	Buffaloes	Tyrecarts	Power driven Machinery
	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.
1946 . . .	..	455 0 0	..	..
1947 . . .	1,985 0 0	..	435 0 0	..
1948 . . .	2,473 0 0	..	..	370 0 0
1949 . . .	4,599 0 0	..	..	..
1950 . . .	1,808 0 0	..	..	3,000 0 0
1951 . . .	..	..	3,200 0 0	13,000 0 0
1952 . . .	700 0 0	..	..	1,242 15 0
1953 . . .	600 0 0	..	..	435 0 0
1954 . . .	481 0 0	..	..	..

	No.	*Value upto June* 1954
		Rs.
1. Bullocks	20	3,750
2. Buffaloes	1	3,318
3. Bull	1	50
4. Tyre carts	4	1,833
5. Tractor (35 H. P.)	1	6,160
6. Ploughs improved model	24	} 253
7. Spared tyres	4	
8. Chaff cutter	1	
9. Plough country made	1	

By the close of June, 1955 the position stood as follows:—

Stock	Purchase value	Present value
	Rs.	Rs.
Livestock	12,575	2,678
Implements	4,164	1,469
Machinery	16,000	4,560
	32,739	8,707

The following statements which are appended would give an idea of the financial position of the farm.

(1) Balance sheet of the farm as on 30-6-55.

(2) Receipt and Expenditure of the farm as on 30-6-55.

(3) Profit and Loss account of the farm as on 30-6-55.

As mentioned elsewhere the farm has never been audited. Only the Chauriharwa society was audited during the year 1947-48.

IX. Development

The Society has not undertaken any other land improvement scheme. 167 different plots of it have been consolidated in 20 blocks. No special cost was incurred on this. Fencing of the blocks has been done partly by wire fence and partly by earth ridges.

A tractor has been purchased and the important operations of ploughing and harrowing are done by it. Other operations like interculturing and harvesting are performed with the help of improved implements.

No processing or subsidiary industry has been started either by the farm or the society.

As explained earlier the farm markets its own produce and market of sugarcane is already well organized as it is a "reserved area". No public utility or social activities have been taken up by the farm.

X. Dissolution

The idea of dissolution has never so far presented itself to the members. The farm can be liquidated on decision taken by the general body of members held for such purpose.

XI. Community Projects and N.E.S.

Village Chauriharwa is situated within Ramnagar Extension Service Block. It is a block of the 1953-54 series. So far the farm has received no assistance from the N.E.S. block. The farm has submitted the following 3 proposals to the Block Development Officer in which it is prepared to meet 50 per cent of the cost.

(1) A scheme to construct a dam on the Sukhaura seasonal river and fix sluice gates in it for irrigating the farm. The farm has rights to the waters of the rivulet. The B.D O. said that the scheme is beyond his financial limit.

(2) A proposal to set up a tubewell in one of the blocks of the farm. The B.D.O. said that tube wells in this area are being allotted by the Agriculture Department under the Sugarcane Development Scheme.

(3) A proposal to sink 2 drinking water wells. The B.D.O. denied any knowledge of such a proposal.

In the block staff there is a Cooperative-*cum*-Panchayat Supervisor under the Block Officer. The two supervisors of the Cane Growers Co-operative Section of the Co-operative Department who were working here even before, are now under the dual control of the Block Officer as well as the Assistant Registrar. The Organiser of the Cooperative Department is now looking to only societies outside the area of the N.E.S. block in view of the special staff posted under the B.D.O. for this purpose. It may be mentioned that the work relating to Cane Growers Cooperative Society was also transferred to the Development Department some months back.

XII. General

The farm is being efficiently run and has adopted improved methods of cultivation. In this it receives very close attention from the Union Development Officer. A planned rotation is being followed and fallowing is done. Improved seeds, fertilisers, compost and implements are being used to the maximum. Irrigation is also done to some extent. Recently a tube well has been installed by the State Government and the farm took up irrigation in some of its land. The cane crop in 1954-55 when irrigated showed a 30 per cent increase in its yield. Mechanical farming has been introduced after the purchase of a tractor. Limited consolidation has also been achieved by making 20 compact blocks from 167 separate plots. Recently Japanese method of paddy cultivation has been introduced on a small scale. The farm also uses green manure.

The average yield of sugarcane in the village is 300 to 500 maunds per acre. In 1952-53 the farm stood first in the cane growing competition held in the State by producing 2,960 maunds per acre. It also got the first zonal prize in that year. The prizes amounted to Rs. 575/-. The prize plot was, however, cultivated by a special method known as the trench method. A trench is dug and filled with manures and fertilisers. Cane is grown on both sides of it. The average yield of paddy in the farm has been about 24 maunds per acre. It is more than the normal yield of the area.

The members are fully satisfied with the working of the farm. When the state Government sponsored a scheme of experimental cooperative farms they readily agreed to organise one as the difficulties of farming here were many. They also understood the advantages which organised effort could bring. Thus they expected proper guidance, supervision and facilities from Government departments, improvement in land, irrigational facilities, road communication and marketing facilities etc. Most of these expectations have been fulfilled. Irrigational and communicational facilities yet remain to be improved. The N.E.S. block is not helping in improving the road because it is under the jurisdiction of District Board. The District Board itself however has not adequate finances for this purpose.

STATEMENT I

BALANCE SHEET OF CHAURIHARWA COOPERATIVE FARM AS ON 30-6-55.

Liability	Rs.	A.	P.	Assets	Rs.	A.	P.
1. Govt. Loan payable .	2,500	0	0	1. Value oi tyre carts (four) after depreciation.	1,469	8	0
2. Int. on Loan payable at the rate of 4 per cent.	100	0	0	2. Value of one tractor (35 H. P.).	4,560	0	0
3. Deposit refundable to members.	4,000	0	0	3. Stock value of implements.	210	0	0
4. Price of Bullocks payable	81	0	0	4. Value of livestock .	2,678	0	0
5. Balance of the 50 per cent. share payable to the members.	5,236	15	0	5. Grains in stock of the Farm.	7,000	0	0
6. Undistributed profit .	11,228	10	0	6. Straw in stock . .	69	8	0
7. Profit of the year . ..	1,551	6	0	7. Cash in hand . .	1	15	0
				8. Loan to be received from Society.	8,709	0	0
TOTAL	24,697	15	0		24,697	15	0

STATEMENT II

Receipt and Expenditure Account of Chauriharwa Cooperative Farm as on 30-9-1955.

Cash abstract from 1-7-54 to 30-6-55

Receipt	Rs.	A.	P.	Expenditure	Rs.	A.	P.
1. Union Loan received .	2,305	11	0	1. Union Manure loan re-paid.	2,997	15	6
2. B. Loan (Provincial Co-operative Bank).	7,500	0	0	2. Medicine purchased .	30	0	0
3. From sale of straw .	200	0	0	3. 50 per cent of the sale proceeds paid to members.	28,600	0	0
4. Savings Bank deposit refunded from Union.	620	0	0	4. Scrapping and cartage paid.	18,096	9	3
5. From sale of Sugarcane (54-55).	64,163	14	0	5. Paid to Executives .	500	0	0
6. Excess 50 per cent. paid last year realised from members.	205	5	9	6. Weekly wages etc. paid .	5,981	0	0
7. Seed loan (cane) from Union.	1,150	0	0	7. Supervision charge paid	2,700	0	0
8. From sale of paddy .	9,510	0	0	8. Drivers pay paid. .	1,400	0	0
				9. Purchase of cane seed (New Variety).	1,150	0	0
				10 Oil Cake and Bhusa (cattle fed).	1,324	4	3
				11. Feeding charges . .	325	0	0
				12. Purchase of new bullocks.	400	0	0
				13. Savings Bank Deposit in Union.	620	0	0
				14. Govt. Loan repaid .	500	0	0
				15. Interest on loan repaid	120	0	0
				16. Powerine and etc. .	3,000	0	0
				17. Rent and road cess to Government.	352	9	6
				18. Cow shed repairing cost	200	0	0
				19. Part and tractor repairing	495	0	0
				20 Union Dadni repaid .	1,308	10	6
				21. Int. on Dadhi repaid .	262	5	0
				22. P. B. Loan repaid .	7,500	0	0
				23. Int. on Loan repaid .	52	8	0
				24. Union Loan repaid .	8,295	11	0
				25. Interest on Loan repaid	244	10	0
Total .	85,654	14	9	26. Remittance charges .	5	0	0
Opening Balance . .	808	3	3	27. Opening Balance .	1	15	0
GRAND TOTAL .	86,463	2	0	Total .	86,463	2	0

STATEMENT III

Cost of Production Per Acre

Paddy

	Rs.	A.	P.
1. Summer Ploughing one time by tractor at the rate of 20.	20	0	0
2. Four more operations by wooden ploughs— Twice after rains, Twice after mudding } at the rate of ($2\frac{1}{2} \times 12$)	30	0	0
3. Seed (35 seers) . .	9	8	0
4. Seedling Preparation .	5	0	0
5. Transplantation (8 labourers)	8	0	0
6. Weeding (Nirauni) 4 labourers.	4	0	0
7. Crop cutting (5 labourers)	5	0	0
8. Threshing . . .	5	0	0
9. Rent	1	8	0
10. Supervision charges .	12	0	0
	100	0	0

Yield per acre, 25 Mds. × 10	250
Less cost	100
Savings	150

Sugarcane

	Rs.	A.	P.
1. Summer Ploughing one time by tractor at the rate of 20.	20	0	0
2. Green Manuring 2 more operation by tractor harrow at the rate of Rs. 8 × 2.	16	0	0
3. Price of one Maund Sanai for an acre.	9	0	0
4. Labour charge (Sprinkling dressing and spade work).	2	0	0
5. Manuring of Sanai . .	22	0	0
6. Preparation for October— (*a*) Plantation . . .	45	0	0
3 cross harrow disk operation (6×7-8).			
(*b*) 2 Plough at the rate of	44	0	0
Rs. 22 (deep disk) . .	44	0	0
7. Oct. Manuring	40	0	0
8. Seed eane 60 maunds at the rate of Rs. 1-7.	86	4	0
9. Labour in the preparation of seed. Scrapping, cutting and carting at the rate of 0-3-0 per maund.	11	4	0
10. Actual Plantation . . Riding Lohia 1, Plough Lohia 1	6	0	0
11. Labour	8	0	0
12. Inter cultivating . .	40	0	0
13. Remanuring & earthing .	28	0	0
14. Riding plough one . .	5	0	0
15. Supervisions 15 months .	20	0	0
16. Rent & Cess 2 years . .	3	0	0
17. Scrapping, cutting and Cartage. (Cartage 0-4-0, Scrapping and cutting 0-2-0 for 100 mds.).	300	0	0
18. Interest for money borrowed	6	0	0
Total .	713	0	0

Yield per acre. 800 @ 1-7-0 per md.	1,150
Less Cost	713
Savings	437

STATE : BIHAR

SOCIETY : CANE GROWERS COOPERATIVE SOCIETY LTD.

I INTRODUCTORY

Year of establishment . .	The society was established in 1936, but the farm was started in 1949.
Location	Village Narha, 47 miles from the District Headquarters, Muzaffarpur.
Audit classification . .	'C'
Present number of members .	At present the membership of the farm is 19, whereas the society has 99 members. Of these, none of the members works on the farm because in this area the people of high castes like Brahmins and Rajputs to which the members belong, do not do farm work themselves. The number of members increased from 18 in the beginning to 32 soon after formation, when two blocks were being operated. But it subsequently declined again to 19 when the second block was given up.
Land held	The farm came into existence in 1949 with one block of about 20 acres. Due to its success more people came in, with the result that another block was formed in the next year which was of 16.1 acres in areas. In 1954 a tube-well was sunk in the first block. The area commanded by this well is about 40 acres. The constituents of that block then thought that with the facility of irrigation they could do well even without a cooperative farm. Another difficulty about this block was that it had much of the land which war not fully open to sunshine and gave lower yields but the members owning lands in that block claimed equal share of produce, with the others. Both these factors led the members of the first block to leave the cooperative farm in 1954. The farm now consists only of the second block members. The area of the land held by the society, *i.e.*, 16·1 acres is under tenancy (*i.e.*, revenue and rent is permanently fixed as between Government and Zamindar and Zamindar and tenant). It is at present unirrigated but being near a river it can be irrigated from that source.

II. GENERAL AND ECONOMIC CONDITIONS

Narha is a big village of 2,500 acres of land including both high and low lying lands. It stretches out 3 miles east to west and 3 miles north to south surrounded by a perennial rivulet on its eastern and southern side.

The total population of the village is 3,500. The important castes in order of their importance are Rajputs, Brahmin, Kurmis, scheduled castes, Muslims, goldsmiths, weavers and Ahirs. The

Brahmin and Rajputs are usually the big land holders. Kurmis, Kaharas and the scheduled castes mostly constitute the labour class though many of them cultivate their own bits of land too. The biggest holding in one single plot of the village is reported to be of 9 acres. The average holding per person is nearly one acre. The biggest reported is 100 acres and the smallest 0.25. It shows that the majority of the holdings are very small and it is reported that the general economic conditions of the cultivators are not good.

The important caste of the village is Rajput. They are old settlers here. According to local legend they came here from Rajputana in olden days and settled down after clearing the forest area.

The principal food crops grown in the village are paddy, sugar-cane and *Khesari* (a kind of pulse). Till last year practically the whole area was dry. However now a tube well has been sunk in the village.

The village falls in the Majorganj thana of Sitamarhi sub-division. The thana and the sub-division both are 6 miles away from it. The nearest N. E. Railway station, Riga is within 6 miles of the village. Postal facilities are available in the village and there is a telegraph office in Riga. All these places are connected to the village by District Board roads.

The village market provides for the day to day requirements of the villagers. For other needs one has to go to Sitamarhi Bazar.

99 per cent of the houses of this village are kutcha ones with thatch roofing. One per cent of the houses are pucca. Thatch and reed houses are suitable considering the frequent floods that ravage the area.

III. RIGHTS IN LAND

The first block having been given up the following account relates only to the remaining block. The land of this block belongs to 19 different persons. One of these is a Zamindar and the other 18 are tenant cultivators. When the farm was organised the bits of land of these persons falling in the farm area were pooled together. Thus a compact block was brought into existence in which the share of each member is not separately demarcated but only recorded in the books.

No land has been directly taken by the society either from the Government or a non-member.

IV. RIGHTS AND LIABILITIES OF MEMBERS

In this farm, the members retain the right to withdraw their land from the farm after paying off their liabilities. They have also the right to transfer their land with all the liabilities thereon. 21·1 acres have been withdrawn from the farm which at the beginning had 2 blocks. The surviving block took over the liabilities of the other one.

There is a local custom according to which when once plot has been leased out (either to a cooperative farm or to any individual) it cannot be withdrawn till the close of that agricultural year which ends in *Vaishakha* (April-May).

Members are not required to put in any labour in the farm.

All the members retain part of their total holdings outside the farm. Holdings retained by members outside the farm are both within and outside the village. About 290 acres of land is thus held by the members outside the farm but within the village.

There is no restriction on the members taking loans from sources other than the farm or the society, but this cannot be taken on the security of land given to the farm.

The liabilities of the members are limited according to the area of land surrendered by them to the farm. The rent or revenue of such lands is, however not paid by the farm but by the individual owners. In their ignorance, the members fear that if they themselves do not pay the dues they will loose their right in the land. In the event of a member failing to pay up his dues the farm will do it at the member's cost, but such an emergency has never arisen so far.

V. ORGANISATION AND MANAGEMENT

The entire land is managed as one farm for all agricultural operations, with the help of hired labourers. The Executive Officer is directly incharge of the farm and is responsible for its proper working. For his help a mate or Kamdar has been appointed (locally known as a ziratiya). Besides, two permanent plough-*cum*-cart-men have also been engaged at a monthly salary of Rs. 37/8/- each.

In addition, daily labourers are engaged according to the requirements. During the slack season about 5 labourers are engaged per day but in busy seasons like that of sowing or harvesting the number of labourers engaged per day is as high as 25. The wages usually paid are annas -/10/- per day per man in the slack season and Re. 1/-/- per day in the busy season. The hours of work are from sunrise to sunset with a two hours break.

The farm maintains all the necessary equipments which have been purchased from its own resources. None of the equipments have been obtained from members or non-members.

Except for the elected managing committee, work is not assigned to any of the members. Thus only 5 persons are at present supposed to be working as the committee members. The remaining 14 members do not work on the farm. Three members do not reside in the village and live at distant places where they have other interests. There is a female member also who cannot participate in any work of the farm.

A non-member has been employed as *Ziratiya* or *Jamadar* who supervises all field operations. He receives Rs. 250/-/- per annum and 3 maunds of paddy in the rainy season. He belongs to this village but is not related to any of the members. The members of his family own and cultivate land in Narha village. A shed has been erected on a waste plot of land outside the farm for *Ziratiyas* family.

According to the rules of cooperative farming, a sub-committee consisting of not less than 3 and not more than 5 will be elected by the members taking part in the cooperative farm. The sub-committee will consist of one Chairman, one Executive Officer and other members. The Sub-committee shall meet ordinarily in every month. In addition to this, emergent meeting can be called by the Executive Officer on the requisition of the:

(a) Overseer Incharge.
(b) Agricultural Overseer Incharge.
(c) President.
(d) Any two members.

A committee of 5 persons have been formed. Its meetings are, however, not held regularly. On enquiry, it was revealed that very few members were interested in either the meetings or its proceedings.

The President of the Narha Farm Sub-committee who is a matriculate, was formerly a *panch* of the village panchayat. He is also a teacher in the local middle school. He holds 1·6 acres of land in the farm. The duty of the President is to preside over the meetings of the farm. Though the term of office of the President is only one year, he has held that post till now wrom the very beginning.

The Executive Officer too has similarly been in his post for the last 5 years. He is an old Congress worker and a political sufferer. He is also the Secretary of Sitamarhi Central Cooperative Union.

He has read up to B.A. He holds 0·83 acres of land in the farm. Although the rules provide for the payment of an honorarium to the Executive Officer, it has never been paid to him due to financial difficulties of the farm.

The other 3 members of the sub-committee have also been continuing in it for the last two years as no fresh elections have been held. There is no fixed duty for the members but they help the Executive Officer in times of need. One of these members is a *Mukhia* in an another village. All of them are literates. None of the members enjoy any special facility in the farm.

Thus though in theory supervision is exercised by the sub-committee actually it is the Executive Officer who is responsible for works, accounts and every other matter of the farm. The staff of the Cooperative Department also exercise supervision and control in their departmental way.

The farm equipments and livestock etc. are jointly held by the society. If free from farm work, these are made available to other members or non-members on hire for their private use.

According to the rules the Executive Officer shall prepare an annual programme of rotation, decide the quality and quantity of manure and seed to be used and purchased, and the buildings and sheds, if any to be constructed, by the 30th April every year in consultation with the Agricultural Overseer Incharge of the area and shall get it discussed and passed by the sub-committee. A copy of the entire programme has to be sent to the Assistant Registrar through the Organiser Incharge. In practice however, such an elaborate procedure has not been followed. The Executive Officer only prepares an annual estimate of income and expenditure which includes estimates of wages, implements and fodder etc. As the chief crop of the farm is only sugarcane its rotational activities are more or less fixed. Cane seeds are sown and when the crop is harvested the cuttings are used for a few subsequent crops. In the intervening season paddy and other minor crops are sown.

The Agriculture Inspector stationed at Riga under the Sugarcane Development Scheme is also consulted on farm affairs. The Secretary of the Riga Sugar Factory also takes interest in and often helps the farm with his advice.

Credit is available to the farm by way of loans from members, Government and the Cane Marketing Union, Riga. The Union itself gets loans from the State Cooperative Bank, and the Riga Sugar Factory.

As regards seeds, the farm is self sufficient. It used its own seed of sugarcane which is an improved variety (B.O. 11) from Pusa. For manures, the farm is having compost pits. It purchases fertilisers from the departmental Agricole depots and takes it on cash payment or on credit. For transport arrangement, it has purchased two Dunlop Tyre carts. Other improved agriculture implements like ridging plough etc. have been purchased from the Agriculture Department. The bullock pairs have been purchased from the long term loan obtained from the Government. At present no irrigation is practised in the farm.

Marketing is not a problem with the farm as the farm is situated in the reserved area. There are three types of cane areas here:—

(a) Reserve area attached to a particular sugar mill which has to purchase all the cane of the area. The growers of such areas cannot sell their cane to any other buyer.

(b) Assigned area.—Sugar mill can also make purchase in the area assigned to it, but there is no compulsion on either party.

(c) Open area where the market is entirely free.

As there is no marketing problem the farm does not maintain any storage godown. As soon as the crop is harvested it is sent to the mill which is only 5 miles away.

VI. DISTRIBUTION OF INCOME

The work is done by hired labourers who are paid at customary rates either in cash or kind. Reduction or increase of wages is done according to the quality of work performed as judged by the Executive Officer. In the rainy season the *Jamadar* and the plough-*cum*-cart-men are given wages only in kind out of the harvested cereal crops.

During the first three years of the farm (*i.e.* 1949 to 1952) 50 per cent. of the gross produce was given as ownership dividend to be distributed among the members on the basis of their share in the land pooled. The quality of the land has not been taken into account because all of it was waste land not used for cultivation. This rate is far above the rent of their lands which is Rs. 2/-/- to Rs. 5/-/- per acre. The dividend given in 1952-53 worked out to Rs. 357/-/- per acre. The high rate of dividend weakened the financial position of the farm. Had it declared a lesser amount of dividend the members would not have found it worth joining as under the open *Batai* system the land owner gets 50 per cent of the gross produce

In the subsequent two years, ownership dividend was not at all given as the same was used towards liquidating old loans. The current position is that 2/3rd of the net produce is to be distributed as ownership dividend and the balance 1/3rd is kept for making good any loss or for paying of loans and other expenses. No further payment is made to the members over and above this ownership dividend. At times the dividend is distributed in the shape of paddy and wheat produced at the farm. No honorarium or any other type of payment admissible is being made either to the Executive Officer or to the Treasurer or to any other member of the farm.

It is reported that 1/3rd, of the net produce is set aside for productive investment and development. No provisions have been made for calamity and general development. Under the rules, after carrying the depreciation at the prescribed rate on block capital and live and deadstock, the profit of the farm will be appropriated as follows:

(*a*) 35%	reserve fund,
(*b*) 10%	repairs and renewal fund,
(*c*) 5%	working capital fund,
(*d*) 50%	distribution to the members and non-members joining the farm

Provided that, if in any year, profit is not adequate, nothing will be carried to depreciation account and small percentage or nil as approved by the Assistant Registrar may be allocated to items (b) and (c).

VII. STATE ASSISTANCE

No subsidy has been received by the farm from the Government. It has taken only a loan of Rs. 5,000/- from the Government through the cooperative society of which it is only a part. It is a long term loan given for the purchase of bullocks or other permanent improvements on land. The loan is repayable in 10 years. For the first 3 years, it remains as an interest free loan. Thereafter the amount and the interest thereon at the rate of 4 per cent per annum are payable within the remaining 7 years.

The Narha M.P.C.S. took this loan from the Government and passed it on to the farm which utilised it for the purchase of livestock and some agricultural and irrigational equipments. The farm has already repaid Rs. 1,000/-/- and is shortly proposing to pay back another Rs. 500/-/- to the society towards the liquidation of the loan. This has been done at the cost of any dividents to members during the last two years. The money has not actually

gone back to Government but has been deposited by the society in Union savings' bank account. No special reduction in land revenue, cesses or local rates have been made by the Government for the farm. It can be mentioned however, that co-operative institutions in the state are exempted from the agricultural income tax. This tax is otherwise payable on a produce of worth over Rs. 5,000/-.

Advice and assistance is available to the farm from the following ranks of Government employees.

(a) Technical assistance and advice from the Agricultural Inspector, Sugarcane Development Scheme is available. If any help is required from the Department of Agriculture, *e.g.*, supply of improved implements, the Inspector helps in the matter. The need for any other type of assistance from the Inspector is not indicated. The method of sugarcane cultivation is also now set and there is not much scope for any significant improvement in it.

(b) For a closer supervision of the management and working of the farm a part-time supervisor of the Cane Co-operative Department has been posted at Riga. The Supervisor, it seems performs almost all the duties of the Executive Officer in the latter's absence. Besides, he is the departmental inspecting officer at the lowest level.

(c) The audit branch of the Cooperative Department sends auditors from time to time for a detailed checking up of accounts of the society and the farm.

No need has arisen so far for obtaining more land to increase the size of the farm, necessitating any special aid from the State.

The land of the farm was consolidated in the sense that all demarcation lines within a block were removed and a boundary of it was marked. The land being "PARTI" or waste it was made cultivable en-block. Nothing has to be paid by the society as consolidation expense to the Government.

VII. FINANCE

There is no cash and reserve capital with the farm. The working capital in the year 1954-55 was about Rs. 11,000/-. The members of the farm have not given any cash contribution but only bits of their land to the farm. The Government subsidy of Rs. 1,000/-/- for which a farm within a Cane Grower's Society is eligible has not been given because adequate fencing for demarcating the block boundary was not done in the beginning. The farm was audited last in 1951 and the auditor recommended payment of Rs. 817/-/- to it as subsidy. The recommendation was based on the actual expenses incurred in consolidation. The farm hasseveral

times written for it but has not received any reply. The farm has not developed any capital either from its income or loan on mortgage of land.

IX. DEVELOPMENT

The blocks of land taken up for cultivation were waste tracts growing only thatch grass. The land was consolidated and successfully brought under cultivation. The initial expenses of consolidating this land and making it cultivable amounted to Rs. 817/-/-. The farm had also purchased a pumping set for irrigation purposes at a cost of over Rs. 3600/- but it was sold later on having not been found a profitable proposition. The first block of the farm was at some distance from the river and the cost of pumping water up to it was rather high. The present block is not irrigated at all. The farm sometimes arranges to get the first tilling done by the Riga Sugar Factory tractor. It is made available for the farm on payment of Rs. 15/-/- to 20/-/- per bigha.

Marketing is no problem and does not require any special effort or organisation. The cane is supplied to the Riga Sugar Factory through the Cane Marketing Union. Paddy, which is sown after sugarcane is harvested, is purchased by the local people or given out as wages or dividends. No vegetable or fruit crops are grown on the farm. The old bed of Bagmati is never dry. It lies between the village and the farm on the one hand and Riga and the Sugar mill on the other. During the monsoon it has to be crossed by boat. In other seasons one has either to take a long and circuitous route to reach Riga or the river has to be crossed by some means. The farm took a lead for constructing a temporary mud and bamboo bridge over the river to connect the District Board road on both of its sides. This bridge dismantles during the rainy season. The total expenses over this project have so far been Rs. 1,000/-/-. It is reported that 50 per cent. of this came from non-members and outsiders. The farm spent Rs. 144/-/- over it. The farm members tried to organise villagers' participation for this but could not succeed to any considerable extent. The most substantial of the outside contributors was the Riga Sugar Mill. The bridge is used for pedestrian as well as vehicular traffic across the river. It facilities transport of sugarcane from the farm or the village to the factory to a considerable extent.

X. DISSOLUTION

Rules of dissolution of such farms run as follows:

"In case of dissolution of the cooperative farm, reserve fund shall be applied to such purpose as may be determined

by the majority of members joining the farm with the approval of the Registrar."

"Other funds will be divided amongst both the members and non-members joining the farm according to the area and quality of land as laid down in rule 16."

So far the question of a complete dissolution of this farm has not arisen. When the first block was abandoned, its liabilities were taken over by the members of the remaining block. The question of dissolving the farm is sometimes discussed but the present liabilities of the farm are a hindrance in the way. If and when the Narha Society agrees to take over the liabilities, the farm can be dissolved. The society is some-what reluctant to do this as the 3 non-resident members of the farm are not the members of the society.

XI. GENERAL

As the farm started practically on waste land which was used as pasture or grazing ground, its owners wanted to settle it on share cropping basis or even at a charge of only one to two maunds of the produce per acre per annum but they could not attract tenants. Now the rent value of the land has risen to about 10 maunds per acre per annum. The block is oblong in layout and it is easy to till it with the help of a tractor. Further, this block being at a distance of three miles from the main village was regarded as difficult to work on. The farm has raised a kutcha farm house near it now and all its implements and livestock are kept there. The method of cultivation practised on it is definitely improved. Cultural methods, e.g., line sowing, making of compost, using of fertiliser and improved implements are examples of such improvements. The only lacuna appears to be an unfamiliarity of methods of plant protection. The farm is interested only in raising sugarcane and hence the need of any well planned rotation has not been felt. However, to give it a better footing and an alternative means of income, in case the cane crop is not good, it would be better that some side-crops or industries are developed. It may plant some fruit trees also.

The Executive Officer said that they were expecting electricity in the village by the middle of 1956. He hoped that the farm will then purchase electric motors for lifting water for irrigation from the river. He, however, said that finances of the farm are not adequate at present and need improvement. It appears to be a fact also because the farm could not pay any dividend during the last two years. In this connection lack of proper and timely supervision from the Co-operative Department also appears to be

a major handicap. The farm has been running in loss but still yearly audit has not been done and no particular notice of this fact has been taken by the Department. Besides, the present block took over the liabilities of the first block too.

It may be mentioned that sometimes after this farm was started two other societies have also organized similar farms in this area.

The yield per acre of this farm for sugarcane on an average has been 354 mds. per bigha. The average yield of the village is reported to be 186 maunds per bigha. The following table will show the yield of the farm in respect of sugarcane.

Year of produce	Area cultivated in acres	Total yield in maunds	Value Rs.
1951-52	24·0	10,406	13,657 14 0
1952-53	30·3	9,313	12,223 5 0
1953-54	10·0	1,659	2,384 13 0
1954-55	8·3	3,544	5,094 8 0

The parent society, however, regards the farm as a liability and wants to do away with it. The farm also wants to withdraw from the society. It is felt that so long as it is a part of the society it cannot raise any funds as share capital. Their idea is to set up a separate farming society with the constituents giving a land and Rs. 100/-/- each as share money. While starting the farm, the participants expected that their waste land would be yielding some returns. Some of them had also a feeling that leaving out actual expenses, the remainder of the produce will be fully distributed. Most others believed that they would get 50 per cent. of the produce as in the case of the prevalent share cropping system. Members are however dissatisfied, the reason of the dissatisfaction being the non-payment of dividend for the last two years. They feel that the Executive Officer having very little at stake in the farm (his share of land is only 0·8 acres) cannot be expected to be very particular about the management. All the same, none of the members is prepared to take active interest in the matters of its organisation and management.

The present Executive Officer is the only person who is prepared to give his time to the affairs of the farm. Under these circumstances it has become necessary that the Cooperative Department should give an efficient check and timely audit to straighten up the tangles. Efforts need also be made to educate the people and make them alive to their responsibilities. Monthly meetings and annual

election of the sub-committee should be insisted upon. The Executive Officer himself wants a whole time supervisor for the farm but the size of the farm is not such as to justify the whole time employment of a supervisor. Further, needs of the society as mentioned by the Executive Officer were (a) an aid to make good the loss incurred so far, in the shape of subsidy; (b) supply of cheap credit, and (c) irrigational facilities.

In a meeting the members showed inclination to dissolve the farm in case it continues to yield no dividends. This however, appears to be only a sort of threat and not a sincere desire. It is reported that members with both, small and big holdings share this feeling.

In the year 1955-56 some dividend is likely to be distributed from the net profit. Thereafter the present clamour for dissolution is expected to subside. Thus the non-payment of dividends appears to be the major cause of dissatisfaction of the members.

XII. CONCLUSION

(1) The society is over-capitalized, the investment being too heavy for small acreage of 16 acres.

(2) The area that the society is managing is too small for the number of permanent men and bullocks employed by the farm.

(3) The members do not take active interest in the affairs of the farm and consequently the management is not effective. The yields could also be improved with better management.

(4) The lack of incentive among the members is mainly due to the fact that they still consider *Batai* System as more profitable.

(5) Proper auditing provision for a whole-time supervisor and separate registration of the farm seem to be a few essential steps to put the farm on a sound footing.

STATE: BOMBAY

SOCIETY:—SUBHASH SAMUDAYIK SAHAKARI SHETKI SANGH LTD

I.—INTRODUCTORY

Year of establishment	February 1948.
Location	Manjri Bk., Taluka Haveli, District Poona.
Audit classification	'A'.
Present number of members	71 ; of these 32 Working 39 Sympathizers.
The number of members who have left since the inception.	17
Land held	223 acres taken on lease from Govt. 150 acres purchased.
TOTAL	373 acres. Of these 235 acres are under seasonal and 99 under perennial irrigation.

II. GENERAL AND ECONOMIC CONDITIONS OF THE VILLAGE.

Village Manjri having a population of about 6,000 is only about 7 miles from Poona. It is well connected by road to the City. The Mutha Right Bank Canal, passes through the village, and provides considerable irrigation for most of the period in a year. The village has about 900 acres under sugarcane and about 1,500 acres under vegetables. The proximity of Poona city having a population of about 6 lakhs provides an excellent perennial market for the various crops raised and especially for the vegetables. Truck loads of various vegetables are daily sent to Bombay also which is only about 120 miles from Poona. The demand for vegetables was high especially during the war when there was concentration of various military units in and around Poona. This led to the general economic improvement of the people in the area.

The proximity of Poona also provides considerable employment facilities to the landless persons. Thus almost all the people in this village are gainfully employed throughout the year and there is no problem of either unemployment or under-employment. This is perceptible by the fact that the villagers have collected Rs. 25,000 for the construction of one mile approach road of the village. No villager is ready to offer any 'Shramdan' for that road. The amount would be utilised to engage paid labour for the construction of the

road. Simultaneously, the villagers are constructing an eight room school building for which they have collected Rs. 15,000 in cash. The remaining amount would be provided from the N.E.S. funds of Haveli block in which the village is situated.

III. Rights in Land

The society received 223 acres of waste land from the Government in the year 1948, initially for a period of 10 years. Recently the lease period has been extended upto 31st March 1978. The lease amount is fixed at Rs. 35 per acre, excluding local funds which are charged at As. -/3/- per rupee.

150 acres of land were purchased by the society this year. Crops are standing in the land for the first time. Some of this land belonged to individual cultivators in the village, while the remaining land belonged to the Government.

IV. Rights and Liabilities

Since all the land is held by the society either as a tenant or as an owner, the question of withdrawing the land by the members does not arise. The working members are expected to work on the society's lands exclusively. No working member holds any land in his name outside the society's farm. The parents of the working members, however, hold some land outside. But the working members are not allowed to work on these private lands when work is available on the society's farm. The sympathizer members are not expected to put in any labour. The number of working members is 32, while the number of sympathizer members is 39. The members, since they do not hold any individual holdings, need no loans for cultivation purposes. For other purposes such as household, marriage, etc., the members can draw from private sources. The society has not taken any responsibility for providing all the loans required by the various members. The liability of each member is limited to the share amount contributed by him.

V. Organisation and Management

The entire land is managed as one farm for the agricultural operations and the working members are employed on wages by allotment of work among individuals.

A Managing Committee of 7 members is elected at the annual general meeting. Out of these 7, one is from the sympathizer members, while the remaining are from working members. The committee elects its own chairman. He can either be a working member or a sympathizer member. Since the reorganisation of the society, a sympathizer member who is a noted social worker, is

holding the charge of chairman. A supervisor who is a working member is also elected in the annual general meeting. The Managing Committee is responsible for drawing detailed plans of cultivation and the supervisor is expected to execute the plans. During the annual general meeting, a rough plan of cultivation is chalked out. The Managing Committee meets on every Friday evening and decides the actual programme for the next week. The supervisor is to get the programmed work executed. He is delegated the entire authority of allocation of works among the working members. On every evening, he puts up on a notice board the allotment of work for each member for the next day. All the members find out their assignment from the notice board every evening. Next morning the members go to their respective jobs individually. During the whole day, the supervisor goes from plot to plot and keeps himself apprised of the progress of work in each plot. He is allowed to make small deviations from the plan chalked out by the Managing Committee, if it is necessary to do so.

All the farm implements, machinery, bullocks, etc., are owned by the society. The implements are stocked in the godown of the society and the bullocks are kept and maintained by the society in its own cattle shed. The members every morning take the required implements and bullocks for their allotted work. In the evening they are again returned to the godown. No member is required to use any of his individual implements.

If more labour is required than what the working members can themselves provide, the supervisor engages paid labour.

The raising of vegetables requires special arrangements for its marketing. The vegetables are harvested in lots almost every day and are to be sold either on the same day or the next one. Usually some working member is entrusted with this work. A couple of members have gained sufficient experience to deal with the vegetable brokers either at Hadapsar (nearest vegetable market where Bombay brokers are present) or at Poona. Naturally, the responsibility of marketing is entrusted to them. The supervisor himself often visits both these markets to note the varying demands for different vegetables in different quantities.

Out of the 32 working members, 26 work in fields for the actual operations, 2 are supervisors while one member is required to work for irrigation water. The Patkaries of the Irrigation Department generally distribute the canal water according to fixed turns, and the cultivators normally have to please these Patkaries to get the water in adequate quantities. The remaining three members undertake marketing. Before the produce is harvested, they pay a

visit to the markets at Hadapsar and Poona. Then they supervise the actual harvesting where paid labour is employed. Afterwards they take the produce to the market generally in bullockcarts and remain in the market till the produce is sold.

39 members do not work on farm. Out of these, 5 are employees of the society, i.e., (one Manager, two-office assistants, one nurse and a tractor driver). The remaining non-working members are from the same village. Originally, the society had members who had their own holdings outside the society farm. Due to individual differences, there used to be a rift among the members and the work had come to a stop. Later, some of the sincere members approached a noted social worker of the area, and requested him to become the chairman of the society and to revitalize it. Under his guidance the members who had individual holdings were kept as members as their share capital was not paid off. Similarly he himself bought some shares and persuaded some of his friends also to do so in order to raise adequate capital for the society. These shareholders own land elsewhere and are retained as non-working or sympathiser members.

Besides the Managing Committee and the supervisor elected by the society, a paid Manager is also appointed for the overall control of the society. This Manager who is an agriculture graduate and a social worker is responsible for the office work, and maintenance of accounts. He also works as a liaison between the society and the Co-operative Department. He is a paid employee and does not get a share in the profit of the society except the fixed bonus. There are two office assistants who maintain the record and accounts. One of them works out cost of production of different crops also. A nurse is employed for the dispensary run by the society. In addition to this paid staff, there is one tractor driver. All the paid employees have purchased the shares of the society.

The society broadly lays down a plan for cultivation. Availability of water during winter and summer, prices, cost of production etc. are some of the important considerations in formulating such a plan. It has been obligatory to put certain areas under certain crops, irrepective of other considerations. For example, the society has to maintain the required grass land to feed its bullocks. It also raises food crops to meet the individual needs of the working members. It had more of its area under grain crops for the first 3 to 4 years. Later on as more area was brought under irrigation, emphasis was shifted to cash crops such as sugarcane, vegetables and green fodder.

During the year 1953-54 the following crops were grown:—

Type of crop	Area	
	Acres	Gunthas
1 Food grains	127	20
2 Fodder	57	10
3 Vegetables	53	—
4 Pulses	13	—
5 Perennials	36	10
6 Green-manures	20	—
TOTAL .	307	—

Substantial credit is available from the District Central Co-operative Bank for the current cultivation expenses. Thus last year about Rs. 90,000 were received from the District Central Co-operative Bank as cash credit and about Rs. 50,000 as crop credit.

All the farm equipments as well as bullocks and bullock carts are owned by the society. However, occasionally the society has to hire implements or bullock carts. It also hires local tractors for deep ploughing as the owned tractor is unsuitable for that purpose.

Most of the seeds are purchased from the market. Owned seed is maintained only on a very small scale. Only some of the required farm-yard manure is home produced. This manure is available on a very large scale from the Poona Municipal Corporation. The fertilizers are purchased from the private traders at Poona.

The marketing of *gul* and grain crops is done through commission agents and sometimes through the District Sale Purchase Union in the regulated market at Poona. The marketing of fodder and vegetables is very often done by the working members themselves in consultation with the Manager. This produce is sold to the commission agents either at Hadapsar or at Poona. At both the places, the dealings are done directly between the buyer and the seller and hence the price fetched is known only to them. No open bidding is done for vegetables at any of the places.

VI. Distribution of Income

The daily wage rate for the working members is @ Rs. 1/8/- per day of about 8—10 hours of work. This rate is fixed for the entire

year. It is uniform for all the working members irrespective of their assignment. At present this wage-rate is above the normal rate available in the village which is about a rupee per day. In addition to the daily wages, perquisites such as tea, breakfast etc, are also provided on the working days from the common mess.

The wages of the working members are paid monthly in cash on the first Friday of the month. It has however, been arranged to pay Rs. 20 only, in cash for 9 months and Rs. 40 for the remaining 3 months in a year. The remaining amount is held back and is given in kind (*i.e.*, wheat jowar, etc.)—valued at the wholesale rate in the market. Each working member gets a bonus, according to the number of days of work.

The distribution of income is as follows:—

(1) Lease amount of the Govt. land @ Rs. 35 per acre and the local taxes.

(2) Working expenses of the office including salaries of paid staff, the current expenditure on bullocks, etc.

(3) Repayment of loans' instalments and interest thereon.

During the year 1953-54, the society earned a net profit of Rs. 43,501/6/3, which was distributed as follows:—

(1) 25 per cent. reserve fund

(2) 3½ per cent. dividend on shares

(3) One month's bonus to daily wage earners—non-members—and other salaried staff, who have put in more than 180 days of work in a year on the farm; (these are mostly the family members of the working members).

(4) Bonus to working members according to the number of days put in by each @ Rs. 2/12/- per day. (About Rs. 30,000).

Twenty-five per cent. of the profit which is deposited to reserve fund is for productive investment and development. No special fund is constituted for meeting distress and calamities. Similarly no special amount is set aside for general development such as health, education, etc. However, during the last year about Rs. 2 400 were spent from the current account for payment of salary to nurse, cost for medicines, etc. Besides, no other fund is maintained. Last year Rs. 500 were given to the Prime Minister's Relief Fund.

VII. State Assistance

The society received state assistance in cash as follows:—

Loans—

(a) For tractor Rs. 7,200 @ 3½ per cent. to be re-paid in 6 annual instalments.

(b) For godown Rs. 4,500 @ 3½ per cent. to be re-paid in 5 annual instalments.

(c) For land development Rs. 7,500 @ 4½ per cent. to be re-paid in 10 annual instalments.

Subsidies—

	Rs.
(*a*) For seeds and manures	3,000
(*b*) For pay of Manager	3,360
(*c*) For godown	1,500
(*d*) For land development	2,500

No other assistance by way of reduction of local rates, water rates, etc. was received. Sometimes technical guidance and occasionally a preference is received from the District Agricultural Officer in respect of obtaining seed, fertilizers, etc.

The Government provided for salary of the manager only for the first 3 years. No assistance in this respect was received afterwards.

VIII. Finance

The latest balance sheet of the society is available for the year ending 30th June 1954. (Statement I) The latest profit and loss figures of the society are available for the year ending 30th June 1954. (Statement II).

IX. Developments

During the last 5-6 years, the society has cleared the land of Babhul shrubs in about 90 acres. The area is brought under cultivation since last year. About Rs. 15,000 were spent for this during the last 7 years out of which Rs. 8,325 were spent during the last two years. The society did bunding for about 25 acres out of the 150 acres purchased last year and incurred an expenditure of about Rs. 2,000 on it.

Ploughing is done by tractor either owned or hired. Lifting of water, and crushing of sugarcane is done by machinery. Transport of manures is sometimes done by hired trucks. All other operations are done by manual labour.

So far the society has not set up any processing or subsidiary industry, except of course, *gul* preparation. However, plans are almost ready for setting up of a Poultry Farm for about 2000 birds.

Similarly, plans are also completed for starting a dairy for milk and other products. The proximity of Poona provides an excellent market for milk and other products.

The society is running a dispensary from its current expenses which is free to the members and is open to non-members only on a nominal fee.

X. Dissolution

No fixed terms and conditions are laid down for dissolution of the society. However, in such an event, the leased land would revert to the Govt., and the members would get the share capital after settling all the accounts.

XI. Community Projects and *N.E.S.*

The farm is situated in the NES block, Taluka Haveli of Poona district. According to members of the society, they have benefited from the extension scheme so far. Actually the farm is of great utility to the extension scheme. The trainees of the Extension Training Centre situated at Manjri often visit the farm to observe the working of the society.

XII. General

Ever since the reorganisation of the society, it has made steady progress and at present has the reputation of being the most successful experiment in collective co-operative farming in the State.

The members of the society learnt several things by trial and error method. Since the reorganisation of the society, only the landless agricultural labourers are remaining as working members. Though they had undertaken agricultural operations, they had not done so on their own responsibility. They were only working as agricultural labourers. From this point of view, they were inexperienced in undertaking the heavy responsibility of planning and executing agricultural operations on hundreds of acres.

The members came together in the hope that they would get land as well as permanent employment. Their expectations have largely been fulfilled. They are getting a steady income throughout the year and it is calculated that each working member gets Rs. 130 p.m by way of cash wages, food grains, free accommodation and other emoluments. They are further contemplating to start some subsidiary industries which would increase their normal earnings still more. Due to the increased earnings and amenities, the members are showing greater interest in the working of the society.

STATEMENT I

SUBHASH SAMUDAIK SAHAKARI SANGH LTD., MANJRI-BUDRUK, TALUK—HAVELI

Balance Sheet as on 30th June 1954.

Liabilities	Amount	Assets	Amount
	Rs. A. P.		Rs. A. P.
Share Capital . .	38,020 0 0	Cash in hand . .	1,368 6 9
Reserve Fund . .	9,968 15 4	Crusher Machinery .	9,468 11 6
Depreciation Fund .	25,369 12 3	Agri. implements .	3,230 8 3
Members deposits .	2,697 6 0	Tractor Machinery .	24,443 11 6
Non-members . .	3,849 4 9	Dead Stock . . .	4,676 11 6
Government Loan—		Investment (shares) .	1,340 0 0
		Wells (3) . . .	10,489 2 0
(*a*) Tractor . .	6,000 0 0	Pump Machinery . .	7,506 11 3
(*b*) Godown . .	3,600 0 0	Deposit . . .	100 0 0
(*c*) Land Development	7,500 0 0	Pipe-line . . .	2,210 14 3
		Jaggery process machinery	6,225 14 6
Bank Account—		Livestock . . .	6,210 0 0
(*a*) Cash Credit .	40,771 11 3	Empty gunny bags .	278 0 0
(*b*) Crop Credit .	22,660 0 3	Land Development .	10,325 4 0
Outstanding Liabilities.—			
		Stable A/C . . .	1,251 0 0
(*a*) On account of seeds	880 15 6	Members dues . .	32,277 14 1
(*b*) Misce . . .	4,062 6 0	Sand account . .	240 0 0
(Total—4,943-5-6)		Houses . . .	15,477 12 0
		Grazing field rent due (54—55).	267 3 0
		Dues on account of goods sold.	2,641 11 9
		Suspense A/C . .	2,544 15 3
		Rental dues . . .	7,539 6 0
		Advance for purchase of land.	3,000 0 0
		Mech. Engr. A/C . .	790 0 0
		Stock . . .	6,180 0 0
		Exp. on crops . .	40,425 0 0
Profit and loss Account (1953-54).	43,501 6 3	Stock (Manure) . .	13,000 0 0
		Fire wood for Jaggery .	1,000 0 0
		Medicines . . .	400 0 0
	2,15,908 13 7		2,15,908 13 7

STATEMENT II

Subhash Samudaik Sahakari Sangh Ltd., Manjri—Budruk—Taluka Haveli

Profit and Loss

(1st *July* 1953 *to* 30th *June* 1954)

Receipts	Amount	Expenditure	Amount
	Rs. a. p.		Rs. a. p.
Income from crops .	1,62,812 11 9	On crops . . .	60,096 14 6
Income from Tractor .	10,035 8 0	Seeds . . .	5,193 13 0
Sale of stocked produce .	119 3 6	Manures . . .	32,977 6 0
Value of produce stocked (Grains & Jaggery)	6,180 0 0	Octroi . . .	2,864 15 9
		Tractor . . .	11,483 0 0
Advance on crops and ready crops stock.	40,425 0 0	Transport . . .	3,752 14 9
		Lease amount . .	8,959 11 0
Manure stock . .	13,000 0 0	Lease amount of grazing land.	267 2 0
Firewood for Jaggery .	1,000 0 0		
		Feeding of livestock .	1,570 10 3
		Water tax . . .	7,415 11 6
		Commission . .	3,788 6 6
		Insecticides . . .	181 13 6
		Insurance premium .	164 2 9
		Advance (of June 1953) .	18,100 0 0
		Total . .	1,56,816 8 6
		Gross Profit . .	76,755 14 9
Total .	2,33,572 7 3	Total .	2,33.572 7 3

4

STATE :. BOMBAY

SOCIETY: KARLKATTI GROUP SAHAKARI SAMUHIK OKKAL-TANADA SOCIETY LTD.

I. Introductory

Year of establishment . . .	August 1950.
Location	Village Karlkatti, taluk Prasadga, Distt Belgaum.
Audit classification	'C'.
Present number of members . .	51.
The number of members who have left since the inception . .	8.
Land held	200 acres of Govt. waste land taken on lease by the society for 1 years. All the area is unirrigated and is comprised of only one block.

II. General and economic conditions of the village

Village Karlkatti is 3 miles from Yekondi (on main road) which is 39 miles east of Belgaum. Only food crops such as bajri, jowar, rala etc. are raised in the village. No cash crops are cultivated at all.

The population is 700 consisting of Lamanis, Lingayats, shepherds, Marathas, etc. The 'tanda' which is a section of the village separately located has a population of 800 consisting only of Lamanis which is a backward community. The Lamanis are a sort of tribal people. They are engaged as agricultural labourers and supplement their earnings by bringing wood from the forest and selling it. All the members of the Karlkatti Society belong to the Lamani caste and the land of the society is also located in this 'tanda'.

The villagers are very backward, illiterate and poor. The average condition of agriculture is either at subsistence level or even below it.

III. Rights in land

All the 200 acres of land at present held by the society originally belonged to the Govt. as waste land. The land was leased by the Govt. to the society for 15 years in the first instance, purely for raising of food crops. The lease amount is fixed at Rs. 200 per year and is payable to the Forest Department.

IV. Rights and Liabilities

Since no land belonged originally to any of the members the society has allotted separate plots to the members, which are cultivated by them individually. Fifteen members hold about 40 acres of land outside the area of operation of the society. The society has no control over these lands. All the members retain the right to borrow from sources other than the society. This however, is only a provision and actually the members do not require any loans for agricultural purposes.

V. Organisation and Management

After receiving the land from the Govt., the reclamation of about 30 acres was done by the members collectively. For that work, the society paid each member initially As. -/12/- per day and later Re. 1/- per day. The collective work was not done quite sincerely by the members. Moreover, the then Secretary had done some misappropriation of accounts and the members therefore, were not willing to proceed with the work on collective basis. Hence the land was subsequently allotted to members on individual responsibility. No fixed rule was followed in distribution of the land. However, the size of the member's family and his capacity to work were the factors generally taken into account while distributing the land. After the land was parcelled out, the members reclaimed it individually and also continued to cultivate it individually. However on paper the working of the society was shown as collective.

The society has an elected Managing Committee of 7 members, each of whom is given land as any other member. The society has appointed a Secretary on Rs. 30 per month. The Secretary has not been given any land for self cultivation. However, his father who is a member has received some land from the society. The Secretary daily moves from plot to plot and keeps an account of the work put in by the members and their family members. At the end of the season the crop is harvested in the presence of the Managing Committee. Out of the gross yield, produce worth the labour put in by the members is returned to them as their wages. The labour put in as calculated at Re. 1/- per member, As. -/10/- per his family member and Rs. 2/- per member, with a pair of bullocks. After the return of the produce to the members, the remainder goes to the society. This is stocked and sold by the society to meet the working expenditure, payment of land revenue to the Govt., repayment of loan instalments and interest thereon. etc.

Thus, all the operations are performed by the members individually. They also own their required implements. If a particular member does not have a required implement, he borrows it from someone else. No responsibility is taken by the society in this respect. Similarly, the society provides neither seed nor manure. These are procured by the members themselves and the cost on these is taken into account when the member's share in the crop is to be given to him as his wages.

No special arrangements are made to make available credit facilities. In fact, since only food grains are raised and no manuring on a large scale is done, the members rarely need any credit. If they require the loans occasionally, they have to make their own arrangements.

The produce left with the society is sold in the village itself at whole-sale rates. It is not taken to the markets for that purpose.

VI. Distribution of Income

The excess produce, after returning the value of labour, seed and manure put in by the members, goes to the society. From the sale of this produce, the society has to meet the current expenditure, land revenue, repayment of loans, etc. So far nothing appreciable has been left to the society after meeting these liabilities.

VII. State Assistance

So far the society has received subsidies and loans from the State as follows:—

Subsidy—

	Amount (Rs.)
(a) Land Development	4,800
(b) Cattle shed	300
(c) Seed and Manure—1st Year	1,500
(d) Seed and Manure—2nd Year	750
(e) Seed and Manure—3rd Year	750
(f) Secretarial Cost	2,400
Total	10,500

Loans—

(a) Land Development	Rs. 2,400 at the rate of 4½ per cent. to be repaid in 10 annual instalments.
(b) Cattle Shed	Rs. 900, at the rate of 4½ per cent. to be repaid in 10 annual instalments.
Share Capital	Rs. 750 at the rate of 1 per cent to be repaid in 5 annual instalments.

No interest free loans were given to the society. The Secretary of the society receives the help of the Co-operative Supervisor and the Assistant District Co-operative Officer for maintaining the records, etc.

VIII. Finance

The balance sheet prepared by the District Co-operative Officer as on 30-6-1955 is given in Statement I.

Some defects have been noticed in this balance sheet. It does not give an idea of the correct position of the society. However, both the District Co-operative Officer and the Assistant District Co-operative Officer were not well informed about the working of the society. The District Co-operative Officer, being newly posted had visited the society only once. The Assistant District Co-operative Officer also used to visit the society very rarely. The profit and loss of the society was never properly accounted so far. Moreover it was not properly adjusted also from year to year.

IX. Development

Out of the 200 acres received originally by the society about 30 acres were collectively reclaimed. Of the remaining land, 140 acres were reclaimed by the members individually. Mechanisation of agricultural operations has not been attempted so far. Similarly, the society has not started any processing or subsidiary industries.

X. Dissolution

In case of dissolution, the lands would be returned to the Govt. and the members would share the assets and liabilities equally among themselves.

XI. General

The society was started originally with a view to rehabilitate the landless agricultural labourers mainly Lamanis. The members of the society are very backward and illiterate. Out of the 7 members of the Managing Committee, only 2 can read and write, 3 including the Chairman can only read and sign, whereas the remaining two are totally illiterate. Out of 44 members only two can read and sign whereas all others are illiterate. This is one of the important reason why the society could not work successfully.

The conditions were considerably aggravated by the original Secretary who deceived the members. He took the fullest advantage of the backwardness of the members and brought the society into disrepute. This made the members diffident about the working

of the society. Later, things were considerably improved when a literate person from amongst the Lamanis themselves was appointed as Secretary. In spite of this, much remains to be done yet to bring the society on sound footing.

The society has been heavily subsidized in the sense that even the share capital is also provided by the Govt. Though the society received a subsidy and a loan for the construction of a cattle shed so far it has not been constructed and the amount has been utilized for some other purpose.

The members are willing to continue in the society as they are receiving land for cultivation. They are however not inclined to have collective farming. The "co-operative" aspect in the working of the society therefore is completely neglected.

STATEMENT I

KARL-KATTI GROUP SAHAKARI SAMUHIK OKKALATANADA SANGH NYAMIT KAR LKATTI TAL-PARASGAD, DISTRICT BELGAUM

Liabilities	Amount	Assets	Amount
Share Capital	670 0 0	Cash in hand	64 11 0
Reserve Fund	64 12 0	Cash at Bank	1,161 14 0
Govt. subsidy	6,500 0 0	Land Improvement	4,745 9 0
Previous Profit	602 11 6	Dead Stock	25 7 0
Profit (1953-54)	253 11 10	Member Loan	1,108 0 0
		Books	15 0 0
		Stock in hand	698 4 0
		Stock of produce	94 0 0
		Advance to Gourdi	12 0 0
		Previous loss	1,159 5 0
	11,038 6 4		11,038 0 0

5
STATE: BOMBAY

SOCIETY:—RASULABAD CO-OPERATIVE JOINT FARMING SOCIETY LTD.

I. Introductory

Year of establishment—April 1950.

Location—Village Rasulabad, Taluk Waghodia, Distt. Baroda.

Audit Classification—'A'.

Present number of members—29.

Land held—440 acres individually owned and leased out to the society. Of these, 110 acres are irrigated by wells. The total holding is divided into 3 blocks.

II. General and economic conditions of the village

The village Rasulabad is 12 miles from Baroda, the taluk and the district place. The village is connected with Baroda by a bus route by which the distance is 22 miles. The main crops of the village are cotton, jowar, paddy and wheat. The only source of irrigation is the surface wells.

The village is comparatively rich. Three individuals in the village own tractors. This was the first village in the former Baroda State where a Co-operative Farming Society was organized and was considered as very progressive. A detailed survey of the village was conducted, the results of which were published in a booklet entitled 'Life in Rasulabad'.

Besides, there is a credit society existing for the last 15 years but it is almost defunct at present. It was controlled by one of the factions and hence the rival faction has formed a new multi-purpose society this year.

III. Rights in Land

The entire land originally belonged to various individuals who held it either as owners or tenants. At the time of the formation of the society, the entire land was pooled together and was leased to the society. At present it is held by the society as a tenant.

IV. Rights and Liabilities

The lands of the various members were pooled on the condition that no land can be withdrawn by a member for a period of 10 years from the date of his joining the society. He can, however,

withdraw the land after the expiry of 10 years only if he has no dues outstanding with the society. If the society had effected any land improvement on a land which is to be withdrawn, the particular member withdrawing the land will have to pay a compensation to the society towards the expenditure incurred on land improvement. There are no fixed rules for determining the value of the land improvement.

Out of the 29 members, 9 do not work on the society farm as they stay away from the village. All others are expected to work on the society farm throughout the year and when required. All the members have pooled together their entire holdings and no member holds any land outside the society farm. Similarly, no member is allowed to borrow from any source other than the society itself. According to the bye-laws of the society, it caters to all the credit needs of the members. The liability of each member is limited to the unpaid value of the shares applied for and allotted by the society.

V. Organisation and Management

The entire land held by the society is managed as one farm for all agricultural operations and the members are employed on wages with allotment of work among individuals.

The Annual General Meeting elects a managing committee, a manager and a supervisor. The general plan of cultivation is approved by the general body. It is prepared in view of the considerations such as prices of various crops, the needs of the members and improvement of land. Detailed crop plan is prepared by the Managing Committee of 7 members. The committee makes overall supervision of the day to day work which is entrusted to the Supervisor. Daily work is planned by the supervisor and is made known to the members on the previous evening. The members do the allotted work during the next day. The works are assigned to the various members after taking into consideration their respective skills and aptitudes. The supervisor goes from field to field and supervises the work.

The manager has to maintain the correspondence, to keep contact with the various Govt. departments, etc. Similarly a member is also assigned the maintenance of accounts. The wage rates of the manager and the supervisor are higher than the wage rates of the working members. Thus the manager is paid @ Rs. 4 per working day while the supervisor is paid @ Rs. 2 per working day. The society has engaged four paid servants, each on Rs. 40 per month The society owns all the implements and the bullocks. All the bullocks and the implements owned by the members at the time of the

formation of the society were taken over by the society and the value of those was treated as share capital of the contributing members. Later on the additional implements and equipments, required by the society were purchased.

Long-term capital needs of the society were met by the Government The Short-term credit needs of the society are met by the District Central Co-operative Bank. Last year the society received a crop finance of Rs. 40,000 from the District Central Co-operative Bank.

The seed requirements are managed by the society itself either from the self supply or from the Agriculture Department both on cash and credit. The society prepares about 200 cartloads of farm yard manure every year. Chemical fertilisers are purchased by the society from private traders either on cash or on credit.

The marketing of the agricultural produce is done by a special committee consisting of the Chairman, the Supervisor and a leading member. Cotton, the most important cash crop, is sold at Samalya market which is 7 miles away. Grains are sold from the society godowns on cash. The vegetables are sold at Baroda.

VI. Distribution of Income

The wages are paid to the working members at the rate of Rs. 1-8-0 per working day of 10 hours and are paid at the end of the month in cash. This rate is fixed for the whole year and no changes are done for the different seasons. These rates are comparatively higher than the local rates which vary between As. -/8/- to Re. 1 per day according to the season.

A special ownership dividend is paid to the owners of the land. The rate of ownership dividend paid by the society varies in good and bad years. It is determined by the managing committee and is approved by the general body. No minimum limit is set for this ownership dividend. The maximum limit however, is fixed at 6 per cent. of the value of the land. This was determined by a committee of the Chairman, the District Agriculture Officer and the Assistant Registrar of Co-operative Society. The society has so far paid 5 per cent. in a good year and 1½ per cent. in a scarcity year.

The income is divided as follows after meeting the working expenses and distributing share dividend, and setting apart 25 per cent. on reserve fund.

(i) 70 per cent, of the net amount is distirbuted as ownership dividend and wage amount earned in the proportion of 40:60 respectively.

(ii) 10 per cent. of one month's pay, whichever is less, is given as bonus to salaried employees. If the amount exceeds the bonus payable, the excess goes to the wage bonus **only.**

(iii) 20 per cent goes to charity fund to be used for common services such as:—

(a) free primary medical aid

(b) free books to members' children studying in primary school.

(c) woollen shawls to each working member.

No special fund is set aside for productive investment and development. So far the society was meeting such expenditure from current expenses and reserve fund. Similarly no special funds for meeting distress and calamities have so far been provided.

In order to build up the individual resources of the members, the society takes compulsory deposits @ 10 per cent. of ownership dividend and wage bonus.

VII. State Assistance

The assistance received by the society from the Government so far is as follows:—

(In rupees.)

Serial No.	Item	Amount of assistance		Total
		Loan	Subsidy	
1	Purchase of seed, manure and implements during—			
	1st year	..	1,500	1,500
	2nd year	..	750	750
2	Towards pay of Manager —			
	1st year	..	600	600
	2nd year	..	600	600
3	Construction of cattle shed and godown	4,500	1,500	6,000
4	For Lift Irrigation Scheme	18,334	16,166	34,500
5	For purchase of tractor	12,000	..	12,000
		34,834	21,116	55,950

In addition to this, the Government had given the exemption from land revenue for the first year only. Technical advice is received from the District Agricultural Officer occasionally.

VIII. Finance

The latest balance sheet of the society is available for the year, ending 30th June 1955. (Statement I).

IX. Development

The society has so far completed and undertaken following schemes of land development.

Item	*Cost* (Rs.)
Minor repairs and bunding	4,000
Digging of a well	6,815
Laying of pipeline	4,000
Conversion into paddy land	2,000
Bunding of 60 acres in progress	..

The society undertakes ploughing in compact blocks by tractor. Similarly, tractor is used for harvesting, interculturing and threshing. Lifting of water is done by means of the two oil engines each of 28 H.P. and 22 H.P. Transport of produce over long distance is done by means of tractor. All other operations are done by manual labour.

The society has not so far set up any processing or subsidiary industries. It has so far undertaken only one activity of public utility. Recently the drinking water well of the village was cleaned by the members.

X. General

The Chairman of this society and his brothers were owing considerable land; Some of which was personally cultivated while the remaining was leased out. The relations between the brothers and the tenants were very cordial. The brothers heard of the co-operative movement and thought of giving a concrete shape to it. The cordial relations between the owners and the tenants facilitated the formation of the society. In order to create a good-will for the society in the minds of the members, the society took the responsibility of all the standing liabilities of the members which were subsequently recovered from the wage payments.

A rival group in the village created some trouble in the initial stages by instigating the individual members against the society. However, the sound working of the society did not give any cause for the members to be diffident. It should be noted that the affairs of the society have been competently handled by the Chairman who is completely blind for the last several years. However, his mental vision is so strong that he is still able to guide the entire activities of the society including the preparation of crop plan, the execution of the plan, marketing, etc. He keeps himself in touch with the entire activities through the Manager.

The Manager is a first class graduate in Arts and had no practical or theoretical knowledge of agriculture till he joined the society. It is said that originally he had leftist leanings and was not much interested in constructive work. Later, however, he completely changed his approach and now he is guiding the activities of the society most effectively. Both the Chairman and the Manager command full confidence of the members.

The standard of cultivation maintained by the society is very high due to the progressive and enlightened views of the Chairman. For example, last year the cotton sold by the society had earned the highest price in the market. In general, it can be said that this is one of the most successful experiments in the cooperative farming.

STATEMENT I

RASULABAD CO-OP. JOINT FARMING SOCIETY, LTD., (DIST. BARODA).

Balance Sheet as on 30th June 1955.

Liabilities	Amount Rs. A. P.	Assets	Amount Rs. A. P.
Shares	16,800 0 0	Shares	1,360 0 0
Members. compulsary deposits.	802 8 0	Livestock	8,444 0 0
Depreciation funds	4,038 0 0	Land	1,235 14 10
Deposits	462 11 0	Cattle-shed & Godown	7,641 14 11
Chari'y funds	1,519 7 11	Well	6,815 9 0
Special reserve	48 9 0	Agr. Implements	4,348 6 6
Members' Employees Emergency fund.	23 10 0	Silo Pit	525 2 0
Cash credit	36,127 2 6	Tractor	20,274 14 9
Deposits	3,267 0 3	Lift Irrigation Machinery.	36,917 13 3
Reserve fund	22,722 15 6	Advance to Members	5,794 1 0
Particulars—		Agr. Stock in hand	3,421 13 0
Society 4,606 15 6		Agr. expenses for new year 1955-56.	8,330 6 6
Lift Irrigation. 16,166 0 0		Furniture & Radio	458 9 0
Cattle shed 1,500 0 0		Advance to members	11,289 9 9
American care 50 0 0		Servants	2,152 8 2
Silo pit 400 0 0		Labourers	207 6 8
22,722 15 6		Artisans	126 14 0
Sundry credits	4,122 0 0	Industrial equipment	88 11 6
Profit 1954-55	9,385 11 0	Saving Deposits in bank	13 13 0
Government loan	28,134 0 0	Advances for rent	31 0 0
Cattle shed 1,800 0 0		Sundry debits	2,682 13 9
Lift 18,334 0 0		Cash on Hand	5,299 9 10
Tractors 8,000 0 0			
28,134 0 0			
	1,27,460 14 5		1,27,460 14

STATE: MADHYA PRADESH

SOCIETY:—THE CO-OPERATIVE FARMING SOCIETY NAYA-AKOLA.

I. Introductory

Year of establishment . . .	February 1948.
Location	Village Naya-Akola, Distt. Amravati.
Audit classification	'C'.
Present number of members . .	3 (July 1955).
The number of members who have left since inception	9.
Land held	116 acres under Malik Mukhiya rights (ownership vested in members) transferred to the Society for 5 years. 19 acres on lease.
Total .	135 acres.
	Whole of the land is unirrigated and scattered into several pieces.

II. General and Economic conditions of the village

The total area of the village is 3200 acres, of which 1600 acres are owned by three big Marwari cultivators, two staying at Walgaon (big village nearby) and one in the village. 600 acres are owned by five or six local cultivators and the remaining land is divided among 120 cultivators the average size of holding for this group being about 5 acres. Wheat (Rabi crop) accounts for 50 per cent. of the land under cultivation and the remaining 50 per cent. land is covered by cotton and jowar which are Kharif crops. All the land is unirrigated. Experiments in this direction made by rich Marwari cultivators have failed and the society too incurred loss on this count.

Despite the prevalence of several households of landless persons in the busy agricultural season, labourers from the neighbouring villages Kamnapur and Deurwadi have to be brought for meeting the needs of farm labour. The society was formed mainly by the members of a family who owned uneconomic holding.

Amravati is the market place for the farm produce. The housing position and sanitation are not as bad as they are for majority of other villages in the tehsil. There are few pucca houses owned

by big cultivators. The village pavements leave much to be desired. Most of the village wells have salt water. The supply of drinking water from a few wells having fresh water, however, meets the local need. The village statutory panchayat is defunct and Vikas-Mandal which is faction-ridden has not done much to improve matters. The Harijans have, however, constructed one well with the aid of project and their labour.

III. Rights in land

Land was held by members but was pooled together for cultivation when the society was formed. The shares of the member cultivators were determined by fixing standard units on the basis of revenue 'annawari' of each piece of land and this was approved by all the members at the general meeting held to settle this important point. This accounted for variation of fertility levels for different pieces of land pooled for cultivation and facilitated distribution of profits or liabilities on the basis of standard units assigned to each member.

The society has neither taken land from Government, nor from any person who is not a member of the society. In the year 1952-53 the society took 19 acres of land of the local religious trust on lease. The area pooled together for cultivation was equal to the total land held by individual members at the village.

IV. Rights and Liabilities

For the first year the society started functioning as a part of the already existing multi-purpose society, and special bye-laws were adopted to regularize this under the Cooperation Act. This was done on the advice of the Cooperative Department and the members who were explained the advantages of more loans, better administration etc., agreed to it. In the second year when the members who pooled their land for joint cultivation saw other members of the parent multipurpose cooperative society intervening in the affairs of the farming society, they moved for separate registration and the Co-operative Department also approved it in April, 1949.

The land of the members was pooled for cultivation with no right to withdraw for five years. After the expiry of this period they had the choice to continue or to withdraw. Since the period of five years ended on 30th June, 1954, eight of the twelve members owning 88 acres of land declared to fall out. The Registrar wanted them to square up their liabilities before they could quit. The members wanted to dispose of the assets and to liquidate Crop Stabilisation Fund, Livestock Fund etc. to clear off the liabilities. Since lands

COOP 9 1

of the members are pledged against Government taccavi loans for tractor ploughing etc. they are unable to get loans from other sources. Thus the stand taken by the Registrar virtually forced them to remain in the society while the members tried every possible way to come out. The members, however, took advantage of the completion of the period of five years and for all practical purposes cultivated their land separately from the year 1954-55. The stalemate however continued and the society was actually functioning with three members whereas the minimum membership of ten is held necessary to continue registration. Incidentally it is pertinent to note that tractor taccavi of approximately Rs. 4,000 which was drawn by the society from the Revenue Department in the year 1953-54 is charged separately against individual members and not shown in the liability of the society as on 30th June, 1954. This device was used to show profits of Rs. 3,373 for the year whereas the real position will reveal some loss.

There is no mention in the bye-laws requiring the members to put in a minimum amount of labour on the farm. More than half the members were such as could not offer labour on the farm due to various reasons. Most of the labour on the farm was hired. Only four members out of twelve worked on the farm. As one member put it, the labour they put in was inadequate as compared to the wages they received and lack of adequate supervision also affected the work of labourers hired from outside. The President chose to do supervision over farm operations but without the active cooperation of other members could not do it efficiently.

The entire land held by the members in the area of operation of the society was pooled together. Some of the members, however, owned some land outside the area of operation of the society. Members did not retain the right to take loans from sources other than the society on the security of land which in fact was held in the name of the society for five years.

The liability of each member was five times his share capital. The members were severally and collectively responsible for the payment of land revenue, and other charges payable by the society.

V. Organisation and Management

Actual management of the society was entrusted to a Managing Committee of five members and two *ex-officio* members. The *ex-officio* members are nominees of the Registrar of Cooperative Societies and Director of Agriculture. They were supposed to guide and supervise the working of the society. One of the leading enthusiastic workers continued to be the President for all the five years. The

Managing Committee as per bye-laws approves the expenditure and sanctions the vouchers and a general meeting of members approves the cropping programme of the year and the budget estimates. The nominees of the Registrar Cooperative Societies and Director of Agriculture extend technical advice on such occasions. The Government Manager is provided free to the society and he keeps accounts for the society. The day-to-day work on the farm was assigned by the managing committee through the supervisor. However for all practical purposes the President used to dominate in the affairs of the society. Except two, most of the other members of the Managing Committee were inactive and only chose to back the President at all times. One of the active members sounded caution on many occasions but the President appeared to have final say on every thing. The services of a Supervisor whose status was that of the Agriculture Demonstration Kamdar was provided free by Government. He had no difference of opinion with the President in matters concerning the farm operations and he mostly helped the Government Manager for accounts work etc.

The entire land was managed by the society, the members being employed on wages by allotment of work to individuals. The society maintains all the farm equipments such as bullocks, hoes, harrows etc., sufficient for its needs. At times, bullocks were hired when sudden pressure of work necessitated it. The machinery such as tractor, truck etc. are not owned by the society.

Four members used to participate in all the farm operations and they received wages from the society besides their share of overall profit. The president who is the executive head of the society looked to the day-to-day working of the society. He did not receive remuneration or honorarium for his duties. Besides he stocked the produce at his own house for which no rent was charged. Of the seven members who did not participate in the operations two were ladies, two other were aged persons and the remaining two members are in service outside the village.

The crop planning was done in March every year at the general meeting. This meeting was invariably attended by a nominee of the Director of Agriculture and the crop planning was done in detail. In the second year the society attempted irrigation on a piece of land owned by the President on the advice of the Agriculture Deptt. nominee though on the basis of past experience it was clear that the experiment would fail, the unbounded enthusiasm of the president prevailed over the caution sounded by some members of the managing committee and the society had to incur heavy loss in the early stages of its life on account of this.

Again, the Agriculture Department tried several varieties of improved cotton seed on the lands of the society and got less yields. It was stated by one enlightened member of the Managing Committee that the land of the society should not have been used as experimental ground when better yield was an uncertain factor. Here also the President who had the support of many passive members in the Managing Committee carried in his own way as per wishes of the Agriculture Department.

Moreover, the Central Cooperative Bank which advanced short-term credit to the society for farm operations and the Revenue Department which advanced taccavi loans for purchase of bullocks for the society, made the purchase of ammonium sulphate in bulk as an obligatory thing. The use of ammonium sulphate however did not prove encouraging. These instances are cited as illustra-tions as to how planning for cultivation was influenced by other extraneous factors.

VI. Distribution of Income

The entire produce of the land belonged to the society. There being no better arrangement for storing the produce the president stored it at his own house. The produce used to be sold at the Amravati market as any other cultivator sells his produce at Amra-vati. After deducting for the expenditure on farm operations 25 per cent. of the profit was allotted to crop stabilization fund and the remaining profit was distributed among the members on the basis of their units. Jowar and wheat requirements for domestic consumption of the members were provided for them from time to time. These and other cash loans given to them for domestic purposes used to be accounted for at the time of the distribution of profits.

The working members were paid wages at the locally prevailing rates at the end of the year in cash, irrespective of the type and quality of work. Bonus in lieu of profit was paid after the fertility of each piece of land pooled with the society was rated on the basis of revenue annawari and each member was thus given standard unit as his share of the profit. The profit was, thus, distributed in propor-tion to standard units allotted to members.

25 per cent. of the profit was set aside as Crop Stabilisation Fund, which was intended to meet distresses and calamities. On persistent demand of the members, the Registrar allowed to do away with Reserve Fund but he managed to create this Crop Stabilisation Fund

with only a different name. The members demanded abolition of Reserve Fund because they thought if 25 per cent of the profit gets freezed as reserve fund they would get less as bonus profits. Some of the members now argue that the use of this Crop Stablisation Fund will be decided by the members without the consent of the Registrar while the officers of the Cooperative Department contend that the Registrar who created this fund by abolishing Reserve Fund will have decisive say in the matter.

VII. State Assistance

During the last three years the society did not receive subsidy or interest free loans from the Government, though promises in this respect were made to the members from time to time by the officers of the Cooperative Department. It is one of the important factors due to which members showed resentment and consequently withdrew the land.

The society received Rs. 6,700 as short term loan from the Cooperative Central Bank for farm operations during the last three years. The Revenue Department also supplied loan of Rs. 2,200 for farm operations to be repaid in three instalments. The Agriculture Department advanced cotton seed on taccavi to the extent of Rs. 1,600. Thus the society received financial assistance to the extent of Rs. 10,500 from all these sources. The loan of about Rs. 4,000 by Revenue Department given for tractor ploughing of land is not shown on the liability side. One of the members of the Managing Committee told that the amount was charged individually as loans to members to be recovered from them later on.

At present the total amount of loans outstanding is Rs. 2,450 mostly due to multipurpose cooperative society. The society had borrowed Rs. 8,000 from the multipurpose cooperative society in the first year and has since been repaying the amount.

No concession or reduction in land revenue was granted. The members had applied for it but the request was officially rejected.

In the beginning the Agriculture Demonstration Kamdar was expected to exclusively work for the society but later on he was also given agriculture extension work of five other villages.

The State has recently given 16 acres of waste land to the society to increase its land from 28 acres to 44 acres because eight members withdrew their land and the society was left with only 28 acres belonging to four members.

VII. Finance

The latest available balance sheet of the society is for the year 1953-54, (Statement III). The liabilities of the society are shown as follows:—

Liabilities—

	Rs.	A.	P.
1. Share capital	1,085	0	0
2. Loan from multipurpose societies	749	10	0
3. Government taccavi	58	2	0
4. Interest due on and to multipurpose societies	1,626	7	0
5. Bonus	270	14	0
6. Crop Stabilisation Fund	2,721	0	0
7. Livestock fund	1,089	8	0
8. Description fund	968	6	3
9. Dividend due	102	3	0
10. Deposits	71	0	0
11. Provision for bad and doubtful debt	300	5	3
12. Profits	3,373	9	6
Total	12,416	1	0

As regards the assets side, the entire livestock and farm implements have been purchased by the society with loans from the state. They consisted of bullocks, carts and other equipment such as harrows, hoes etc. The profit shown in the balance sheet appears to be much inflated because the cost of tractor ploughing has been omitted from the liability side and shown as loans to individual members. Most of the members seemed embarrassed at the loan figure standing in their name and at the same time society being shown as working in profit. Members in general felt disgusted with the working of the society and the intricacies of the accounts could not be understood by them properly.

IX. Development

Excepting the improvement of land by tractor ploughing the society has not taken up any other land improvement measure mainly due to the insecurity of tenure which according to the agreement was restricted to only 5 years.

X Dissolution

As per the agreement eight members out of twelve have withdrawn their lands and land belonging to four cultivators (of the president, his brother and of the two ladies) now remained with the society. In annual general meeting dated 26th May, 1954 the members resolved

to liquidate the society. The Registrar, Cooperative Societies, however, urged that the members should pay up all the outstanding loans before they withdraw. The members were unable to get loans from other sources since they could not offer security of land which was not released to them. Thus a sort of stalemate developed between members and the Cooperative Department. However, since the agreed period was over, the members who withdrew cultivated their land independently. Since some of them were unable to get fresh loans for farm operations against security of land (land being pledged against loans advanced to them earlier and the society remaining undissolved after withdrawal from the society), they had to sell some of their lands.

XI. Community Projects and N.E.S.

The village lies in Block III of Amravati-Morsi-Daryapur Community Project. It is the Headquarter of Gram Sevak. Most of the members and even the officers of the Cooperative Department say that the society did not receive any special help, technical or otherwise from the Community Project. The members including the president who also happens to be the chairman of the Vikas Mandal of the village did not know what the project could do in this sphere.

XII. General

The society which is on the verge of liquidation seems to be now beyond all the possibilities of revival. Among the reasons responsible for this failure, lack of efficient management, losses due to experiments such as use of fertilizers or construction of an irrigation well and failure on the part of the State authorities to make accountable promised facilities such as interest free loans, are the most important ones. Only on account of overdue interests the society had to pay Rs. 5,000.

The statements of yield per acre for different crops and the statement of income and expenditure per acre for all these years are appended (Statements I & II). Though the officers of the Cooperative Department and the President maintain that the yields on the land cultivated by the society were more than what hey were on individual farmers' lands under similar conditions of soil in the village, most of the members said that the society did not bring out extra yields, and they could have got the same yields with less cost had they cultivated the land independently themselves. Thus they did not see benefits of joint management of land on co-operative lines.

The advantages expected by the members were: easy facility of loans from Government, which they could not have got easily and in required amount had they applied for it independently, and also better yields and more profits. They are not, however, satisfied with what they got out of the society. They think that the society is a failure. Other cultivators in the village who were watching this experiment also refrained from joining the society. In the annual report for the year 1953-54 it is mentioned that each member received Rs. 110 per acre from the society and had the members leased their lands elsewhere they could have received Rs. 80 to 90 per acre only. Some members pointed out that for no year the lease was less than Rs. 40 per acre in this village and had the land been leased they could have received minimum amount of Rs. 200 per acre during the period of five years.

In order to avoid cancellation of registration, the Registrar of Co-operative Societies directed to enroll six more members in the society. However the society has failed to do it. The president thinks that he will be able to increase the membership if Government gave some 'E' class land in the village to the society for free cultivation. ('E' class land is grazing land of the village). This will virtually amount to spoon-feeding and is not likely to be approved by the State Government. Due to all these factors the possibilities of the revitalization of the society which is on the verge of liquidation seem to be remote.

STATEMENT I

STATEMENT OF LNCOME AND EXPENDITURE OF THE NAYA AKOLA CO-OPERATIVE FARMING SOCIETY FOR THE LAST 6 YEARS

	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54
1. Income from crops	11,166	12,648	18,294	18,784	12,448	13,024
2. Other income .	406	893	1,040	1,096	995	1,282
Area under cultivation .	114	116	140	116	122	123
Income per acre .	100	116	138	171	110	116
Expenditure . .	16,511	12,584	10,381	10,156	9,739	10,932
Average expenditure per acre . .	145	108	74	87	80	89

Crops were normal during the year 1953-54.

STATEMENT II

STATEMENT OF PRINCIPAL CROPS OF THE NAYA AKOLA CO-OPERATIATIOVE FARMING SOCIETY

Year	Crops	Area	Total yield lbs.	Yield per acre lbs.
1949-50	(1) Cotton	39	6061	179
1950-51		40	16664	410
1951-52		43	18582	432
1952-53		57	13680	240
1953-54		68	17792	262
1949-50	(2) Jowar	25	12480	500
1950-51		12	17280	1440
1951-52		15	11952	797
1952-53		8	6240	780
1953-54		14	7236	381
1949-50	(3) Wheat	17	7296	430
1950-51		26	9600	369
1951-52		19	11240	592
1952-53		27	10560	391
1953-54		28	12064	431

STATEMENT III

BALANCE SHEET AS ON 30TH JUNE 1954 OF COOPERATIVE FARMING SOCIETY, NAYA AKOLA

Liabilities	Rs. A. P.	Assets	Rs. A. P.
1. Share capital	1,085 0 0	1. Live stock	640 0 0
2. Loan from Multipurpose Societies.	749 10 0	2. Dead stock	1,599 7 0
3. Government taccavi	58 2 0	3. Advances	496 12 0
4. Interest due on and to Multipurpose societies.	1,626 7 0	4. Loan to members	6,824 1 0
5. Bonus	270 14 0	5. Interest due in	662 8 0
6. Crop stabilisation fund	2,721 0 0	6. Cash with the treasurer	761 7 0
7. Livestock fund	1,089 8 0	7. Closing stock	1,360 8 0
8. Depreciation fund	968 6 3	8. Plot	60 0 0
9. Dividend due	102 3 0	9. C. B. Share	10 0 0
10. Deposits	71 0 0	10. Cash in hand	11 5 0
11. Provision for Bad and Doubtful debt.	300 5 3		
12. Profits	3,373 9 6		
TOTAL	12,416 1 0	TOTAL	12 416 1 0

STATE: MADHYA-PRADESH

SOCIETY: VIHAD CO-OPERATIVE REHABILITATION COLLECTIVE FARMING COLONY LTD.

I. Introductory

Year of establishment . .	January 1949.
Location	Vihad Tehsil, Distt. Chanda.
Audit classification	'C'.
Present number of members . .	53 (June 1955).
The number of members who have left since the inception . . .	44 (absconded).
Land held	3171 acres of Govt. land was earmarked for resettlement. Of the only 575 acres have been deforested and only 320 acres are under cultivation. The whole land is comprised in one block.

II. General and Economic conditions of the village

Almost the entire cultivable land is irrigated by Asola Mandi tank. The land is best suited for paddy cultivation for which irrigation facilities are available. Since the refugees who are Jat-Rajput by caste knew wheat cultivation in West Punjab the switch-on to paddy cultivation was a new and difficult task for them. They had to draw upon the technique of paddy cultivation from the cultivators of the village Vihad-Khurd. They followed old methods and even today half the paddy cultivation is done by broadcast method.

Originally 97 Jat-Rajput families had come to the colony to settle in Vihad Block. Being impossible to subsist on the meagre uneconomic piece of land of 3 acres per family, 44 families had to leave the colony, leaving behind only 53 families. Their belongings were illegally disposed of by the remaining families. However, per family holding is 6 acres now and now the members are somewhat better off.

According to the housing scheme each family was to be given the maximum amount of Rs. 1,000 for construction of a house. Actually without any set design for the house each refugee family constructed some tin-shed with kutcha walls for shelter within few hundred rupees in whatever way they liked. Except the godowns, no community building has been raised. The construction of colony buildings was not done by the society on a co-operative basis. The colony has two pucca wells for supply of drinking water. The children of the colony have to go to Vihad-Budruk primary school

for education. Whereas the refugees have demanded the facilities of one Hindi teacher for their children, nothing has been done in the matter and the children are now receiving education in Marathi. So far as Public Health and Animal Husbandry questions are concerned the colony very much requires the attention of the Block extension staff. The original scheme provided for Rs. 5,00,000 for settling 100 families of the displaced persons on 2,000 acres of deforested land. So far only Rs. 3,50,000 have been spent, and 575 acres have been deforested. Fortunately the colony lies in Community Project Block and it holds out some hopes for them.

III. Rights in Land

The entire land belongs to the Government and members have no rights in it. It will however, be allotted later to members free of premium under ordinary Ryotwari Rights. At present the land is given to the society for the purpose of cultivation and deforestation. The members, ar per scheme will not have Malik-Makhuja rights (ownership rights) over the land which will be allotted to each of them. Such temporary allotment of land without proprietary rights, it is reported, has given rise to a feeling of insecurity among the settlers.

IV. Rights and Liabilities of Members

Since the land has not yet been allotted to individual members and the same is at present held by the society, the members have no right to withdraw, transfer or lease it out. The question of withdrawal etc. will come up when the land is finally allotted to each individual member. But then the payment of recoverable loan to the society may tie the members to the society for a considerable time. All the members are required to put in labour themselves. If some of the members fail to put in work for deforestation, there will be disputes at the time of distribution of land for cultivation to the members within a group every year. All the land is entrusted to the society and no member has any holding outside the farm. Rights to take loans from sources other than the society have not been granted to the members. In fact, the members being displaced persons do not possess land to offer as security for securing loans from other sources. The liability of a member is five times the face value of share or shares held by them.

V. Organisation and Management

55 members of the society chose to divide themselves into six groups and for each group a group leader was selected by members within that group. This was done with a view to facilitate supervision over the farming operations of each member througn nis group leader. The entire cultivated (deforested) land is divided into two

classes (i) 110 acres of the superior quality is equally divided among 55 members, each member getting two acres, (ii) 220 acres of inferior type of land equally divided among 55 members, each member getting four acres. Thus, though the society has not yet allotted land to individual members for the purposes of actual operations, the members have divided it among themselves. As the deforestation is in progress, even in case of an individual member there is no single compact block available for cultivation. As regards bullocks and farm implements these are given to individual members for cultivation purposes and are not pooled for joint cultivation even within a group. Thus, except the registration under the Cooperative Act, cooperation as such is not visualized in any of the operation. Each individual member has to use the farm equipment given to him through the society as Recoverable Rehabilitation Loan. He gets seed and fertilisers from the society for which he has to adjust his accounts with the society. So far each member was giving to the society one bag of paddy (two maunds) from the produce as profit to the society. For deforestation all the members work together and equally divide among them the charges, which are accounted as Recoverable Rehabilitation Loan.

Group leader is elected by members of each group every year. Thus there are six group leaders who act as *panches* of the colony. Every *panch* is held responsible for members within his group for their dealings with the society and he is supposed to supervise the work of the members on their farms. Accounts of the society are maintained by a sub-auditor who has been posted at Vihad for this purpose. The cooperative organiser who is also Co-operative Inspector of Mul Community Project Block is to guide the working of the society and is also responsible for maintenance of accounts. This is the latest arrangement given effect to from May 1955. Previously the cooperative organiser was not a member of staff of Mul Community Project Block and beyond distributing loans, recording the transactions, depositing the amounts with the treasury, he had done nothing to guide the activities of the members on cooperative lines. His visits to the colony were rare and not very useful to promote real cooperation among members.

Members cultivate the land independently and if need arises they employ casual labourers from village Vihad Khurd.

For general supervision of activities of the society a managing committee is set up. The managing committee is responsible for affairs of the society *vis-a-vis* the members and for maintenance of accounts. Besides three elected members the committee has the following *ex-officio* measures.

(1) Deputy Commissioner, Chanda, President.

(2) Cooperative Organiser, Secretary.
(3) Sub-auditor, Manager.
(4) Agriculture Assistant, Chanda, Member.
(5) Veterinary Assistant Surgeon, Member.

Sub-auditor and Cooperative Organiser are the paid staff of the Government. The society has not employed any paid staff. As the Deputy Commissioner, Chanda is the *ex-officio* president of the society, the resources of the Government by way of technical advice, securing implements, cattle, seed etc. could be readily available to the society through him. Though the Agricultural Assistant and the Veterinary Assistant Surgeon are included to extend technical advice to the members from time to time, the actual experience was not so encouraging in the sense that the members had often to approach the Deputy Commissioner, for services and technical guidance from these extension officers. Even when they came to the colony they showed lack of interest in their problems. The managing committee draws up a plan for cultivation, at the Annual General Meeting of the members sponsored by the managing committee. The society thus supplies seed and fertilizers to the members. There is no marketing arrangement on behalf of the society. After giving one bag of paddy to the society in lieu of its profit the members dispose of the produce as per their requirements. In non-farm operations as well, there is little cooperation. Farm equipments are held separately by each member. Only tractor is held by the society and is made available for ploughing newly deforested area. The society had one truck purchased for Rs. 11,000 which was used for its transport requirements. However, the member who was given charge of it is alleged to have utilised it privately for earning extra income. When this was brought to the notice of the authorities, the truck was ultimately sold out for Rs. 5,000. This amount ought to have been deposited in the treasury as repayment of Recoverable Loan due to members, but instead, it was taken up to inflate the deposits of the society.

VI. Distribution of Income

After deduction of expenses on seed, manures etc. the society gets one bag of paddy (two maunds) from each member towards its profit. The remaining produce is taken away by each member as his share of the produce.

VII. State Assistance

The State has given grant of Rs. 1,13,547 for the maintenance of families of the displaced persons during the first 1½ years. Besides Rehabilitation Recoverable Loans to the extent of Rs. 2,47,500 have been given to the members for the purchase of live-stock, and implements, constructing houses and deforesting of forest land. Rate of

interest is 4 per cent. but the loan is free of interest for the first three years and thereafter the same will be recovered in twenty equal annual instalments.

For the first three years the members have been exempted from the payment of land revenue also. Since irrigation facility from Asola Mandi tank is available he will be required to pay irrigation charges as per the standard rates.

A paid manager has been provided by the State, who has so far done better beyond the maintenance of accounts. The Cooperative Inspector has also been working as Cooperative Organiser for the society. His services, it appears, will be useful in ensuring the proper working of the society and in securing necessary help, technical and otherwise, from Community Project Block, Mul.

Deforestation of forest land of Vihad Block is being done to increase the size of the farm. Until each member gets 10 acres of cultivable land, the deforestation will be financed at the rate of Rs. 125 per acre out of Rehabilitation Loan.

VIII. Finance

The latest Balance Sheet for the year 1954-55 (statement III) shows up-to-date liabilities of the society. The Government loan of Rs. 51,702 to the society shown therein comprises of purchase price of tractor and accessories and also pay of staff employed on Bull-dozer in the past and pay of a unit of Central Tractor Organisation from Bhopal. Since the machinery was lying idle for most of the time this expenditure proved to be a big burden on the members. Important items on the liability side are covered by Rehabilitation Loans and free Government grant for maintenance, which is with-held during the past three years. During the last year, paddy seed worth Rs. 2,328 was supplied by the Agriculture Department but the cost is paid back. There was a loss of Rs. 1,286 during the year owing to theft in the grocery shop and bad business in the cloth shop.

On the assets side the live-stock and implements have been given to members as loan from Government. Tractor and ploughs also are purchased by the society. Present value of live-stock and implements is given below:—

		Rs.
(i) Bullocks	95	35,876
(ii) Stud Bull	1	600
(iii) Cows	54	18,635
(iv) Implements including 10 carts	..	1,729
(v) Tractor and Plough	..	32,445
		89,285

IX. Development

Deforestation of jungle land is being done by the society both through machines and manual labour of the members. Deforestation operations were started from March 1949 when all the members started work by manual labour. For the purpose of speedy deforestation, jungle clearing equipment such as Bull-dozer was purchased by State Government in May 1950. It started operations from April 1951. In all 575 acres have been deforested by now.

The Bull-dozer was not functioning properly and in spite of an expenditure of Rs. 54,025 it could deforest about 220 acres while expenditure of Rs. 18,809 only has been incurred over deforesting 161 acres by manual labour. The progress of deforestation is very slow and this is why the members have such a small piece of land for cultivation even after seven years of their settlement at the camp.

The society was running a grocery shop and a cloth shop for the benefit of the members. That the members should get commodities of daily use at reasonable rates at the colony was the main object behind this business. Unfortunately there was theft in the grocery shop and mis-appropriation of money and shortage of stock in the cloth shop. These mishaps hindered progress to a certain extent. The society has recently undertaken cement agency for Mul Community Project Block. When the members were constructing houses for themselves the society had stocked some 500 bags of cement for the purpose. Of which about 100 bags are still lying in the society's godown in a bad condition. This stock can be disposed of now for use in the C.P. Block.

The society has constructed two drinking water wells out of free maintenance grant to members. Distribution of polludrine tablets has also been done as an anti-malaria measure.

X. Community Projects and National Extension Service

The colony is situated in Mul Community Project Block of Chanda district but no special advantage is derived by the colony. The Block authorities seem to have taken little interest in the working of the society probably due to a feeling that the settlement of displaced persons is somebody else's concern.

Last year the members approached the Deputy Commissioner, Chanda for paddy seed of improved strain (Red Luchai) whereupon the Deputy Commissioner instructed the Block Development Officer to supply the necessary quantity of seed to the society. Though the seed asked for was supplied, its quality was not satisfactory enough. The members expect much help from the project in the future.

XI. General

The society is little concerned with farm operations and cultivation in general is left to individual members using their own equipment for the purpose. Despite the facility of irrigation for paddy cultivation, no improved agricultural practices are followed. Last year the members produced 4,200 maunds of paddy in 250 acres of land under paddy. This is just an average yield produced by other cultivators of the village Vihad Khurd without irrigation facility. Since paddy is the only major crop grown in this area, rotation is out of question. The possibility of raising second crop is precluded by formation of silt in Asola tank.

The members have little knowledge of cooperative nature of the enterprise. They have been insisting for separate and unconditional allotment of lands to them as per the directives of the scheme. Members came to the colony with the hope of better prospects of resettlement on land. They were, however, under the impression that they would ultimately become the owner cultivators of lands allotted to them. The implications of the rights to be bestowed on them do not seem to have been explained to them in the beginning.

The members give expression to their following grievances with regard to the scheme for resettlement. (1) According to the scheme they ought to have received 20 acres of cultivable land within the first two or three years. Actually even after a period of seven years they could hardly get six acres of land for cultivation and that too because some of their brothers left. They found it extremely difficult to maintain the family on small uneconomic holdings. (2) Deforestation of forest land with machinery was very slow and expensive. All the heavy expenses on deforestation by machinery are passed on to members as Recoverable Rehabilitation Loan. (3) The society or Government does not extend credit for farm operations when they need it they have to obtain paddy and cash credit at exhorbitant rate of interest from private sources. Here also they have to face difficulties since they do not own land to offer as security. (4) They are not receiving adequate facilities of extension services in Agriculture, Animal Husbandry and Public Health even though the colony is situated in Community Project Block, Mul. The technical advice promised in the scheme did not come forth when they needed it badly. (5) Irrigation facility for the second crop would have proved very useful to enable them to make both ends meet on small piece of land. But even that could not be done for them as the programme of desilting the tank through P.W.D. is progressing very slowly. (6) The officers who come to help them for their resettlement must shed indifference. That some of their brothers have absconded should not be a cause for suspicion in dealing with other members, but such unhappy instances should be carefully analysed for practical solutions.

The group leaders command respect and following of members in their respective groups. They also voice the feelings of their followers on important questions concerning them. However most of them seem to have little idea of cooperative farming and no tangible efforts have yet been made to guide them with regard to cooperative methods.

STATEMENT—I

Vihad Refugees Colony Ltd. Vihad

Statement of Receipts and Disbursement for 1954-55

S. No.	Receipts	Amount Rs.	A.	P.
1	Opening Cash Balance	1,497	7	0
	(a) Society	697	9	9
	(b) Cloth shop	799	13	6
2	Advance for tractor expenditure recovered	425	0	0
3	Jungle Income .	1,482	13	0
4	Profits of grocery shop	88	0	0
5	Treasury Advance for Court attendance recovered.	225	0	0
6	Sale deposits of fertilisers.	441	0	0
7	Wood charges . .	13	3	0
8	Purchase deposit with M. P. Marketing Society withdrawn.	300	0	0
9	Cultivation advance recovered.	4,763	15	0
10	S. B. D. Account .	13,490	14	0
11	Sale of empty tins .	38	8	0
12	Pay advance recovered	125	0	0
13	Advance for ploughing	1,847	0	0
14	Sale of Manure .	11	7	0
15	Share money . .	40	2	0
16	Admission fee . .	2	0	0
17	Tractor Income .	1,687	8	0
18	Sale of cloth . .	898	8	0
19	Cultivation expenses recovered.	6	0	0
20	Sale of Iraqi dates	31	8	0
21	Miscellaneous Income	11	14	0
22	Fertilizer expenses recovered.	83	3	0
23	Cash from cloth shop	118	9	0
24	Cash from Ration shop	31	8	0
25	Instalment of grocery shop.	110	13	0
26	Interest on amount due from Rupchand	16	14	0
	Carried Forward .	27,195	10	0

S. No.	Disbursement	amount Rs.	A.	P.
1	Sale deposit of Fertilisers	924	0	0
2	S. B. D. Account with Bank.	11,506	11	3
3	Jungle expenses	79	4	0
4	Godown Rent . .	72	0	0
5	Stationery . .	19	15	0
6	Cutltivation expenses advanced to members.	3,081	14	0
7	Advance for sale price of paddy returned.	1,700	0	0
8	Seed advance from Agric. Dept. returned.	2,320	12	0
9	Pay advance . .	275	0	0
10	T. A. to members .	40	0	0
11	Dead stock purchased	15	9	0
12	Pakwasa Fund . .	55	14	0
13	Fertilizer expenses .	34	1	0
14	Dhoties and empty gunny bags purchased.	90	8	0
15	Honorarium paid	24	4	0
16	Cultivation expenses .	12	6	6
17	Cash given by Ration shop	31	8	0
18	Cash given by Cloth shop	118	9	6
19	Miscellaneous expenditure.	229	3	0
20	Tractor expenses	4,136	5	0
21	Audit fee . .	59	0	0
22	Loan for Gun . .	241	0	0
23	Loan for houses .	1,350	0	0
24	Loan for bullocks .	1,769	13	0
25	Advance for Court expend.	100	0	0
26	Advance for Court attendance recovered.	225	0	0
27	Advance for Godown repairs.	45	0	0
	Carried Forward .	28,565	14	3

Sl. No.	Receipts	Amount	Sl. No.	Disbursements	Amount
		Rs. A. P.			Rs. A. P.
	Brought Forward	27,195 10 0		Brought forward	28,565 14 3
27	Instalment of Ration shop amount recovered from Rupchand.	169 2 0	28	Advance for tractor expenditure	425 0 0
			29	Repairs to Godown .	17 12 0
			30	Credit sales in cloth shop.	1,579 12 3
28	Advance for sale price of paddy stock recovered	1,705 0 0	31	Expenses over Bull-dozer	11,989 1 6
29	Credit sales of ordinary shop recovered.	28 10 0	32	Expenses over land clearance.	11,421 4 0
30	Profits of cultivation	1,226 6 0	33	Advance to Organiser for Bull-dozer expenditure.	225 0 0
31	Advance to 2 Refugees recovered.	250 0 0			
32	Revenue Loan borrowed	23,010 5 6	34	Advance due from Block Development officer, on account of commission.	135 4 0
33	Advance for Bull-dozer expenses received from organiser.	625 0 0			
34	Interest received on Saving Bank Account.	349 0 3	35	Profit appropriation .	307 4 0
			36	Cash in hand (with society).	330 6 0
35	Reserve fund . .	303 0 0			
36	Stock Fund . .	4 1 0			
37	Building Depreciation Fund.	0 3 0			
38	Commission received on sale of fertilizers.	135 4 0			
	TOTAL .	54,996 10 3		TOTAL .	54,996 10 3

STATEMENT—II

Trading Account for 1954-55

S. No.	Particulars	Amount	S. No.	Particulars	Amount
		Rs. A. P.			Rs. A. P.
1	Opening stock . .	1,955 12 0	1	Sales	941 7 3
	(a) Ration shop 96 12 0			(a) Manure 11 7 0	
	(b) Cloth shop 1804 0 0			(b) Ration shop 31 8 0	
	(c) Fertilizer 55 0 0			(c) Cloth shop 898 8 3	
	1,955 12 0			941 7 3	
2	Purchase Nil.		2	Closing Stock . .	1,196 9 0
	1,955 12 0			(a) Ration shop 72 8 0	
3	Trading Profit	182 4 3		(b) Cloth shop 1,080 8 0	
				(c) Manure 43 9 0	
	TOTAL	2,138 0 3			2,138 0 3

Profit and Loss Account

S. No.	Particulars	Amount	S. No.	Particulars	Amount
1	Trading Profit . .	182 4 3	1	Jungle expenses .	79 4 0
2	Jungle Income .	1,482 13 6	2	Godown Rent . .	72 0 0
3	Profit of Grocery shop	88 0 0	3	Stationery . .	19 15 0
4	Wood charges . .	13 0 0	4	T. A. to Members .	40 0
5	Sale of empty tins .	38 8 0	5	Fertilizers expenditure	34 1 0
6	Admission fee . .	2 0 0	6	Cultivation expenditure	12 6 6
7	Tractor Income .	1,087 8 0	7	Miscellaneous expenditure	229 3 0
8	Cultivation expenditure required.	6 0 0	8	Tractor expend .	4,136 5 0
9	Miscellaneous Income	11 14 0	9	Audit fee . .	59 0 0
10	Interest received from Deposit account.	349 0 3	10	Repairs to Godown	17 12 0
11	Interest received from Rupchand.	16 14 0	11	Depreciation on Buildings (difference made up as per audit note)	0 3 0
12	Commission fertilizer sale.	135 4 0			
13	Net loss sustained in 1954-55	1,286 12 6			
	TOTAL	4,700 1 6		TOTAL	4,700 1 6

STATEMENT III

Balance Sheet as on 30th June 1954

Serial No.	Liabilities	Amount Rs. A. P.	Serial No.	Assets	Amount Rs. A. P.
1	Share Capital	880 0 0	I.	*Loan to Members (Irrecoverable)*	
2	Government Loan to Society	51,702 0 1	1	Maintenance Grant	1,09,415 4 9
			2	Tents	1,351 11 0
			3	Wells	2,780 2 6
3	Government Loan for Rehabilitation of members	1,51,662 5 3	II.	*Loan (Recoverable)*	
4	Government Loan as Free Grant	1,13,547 2 3	4	House construction	49,802 4 3
5	Pakwasa Fund for Medicine and Education	703 3 0	5	Maintenance Loan	11,160 0 0
6	Suspense Account of Cultivation advances	..	6	Forest clearance	7,388 0 0
7	Seed Advance from Agri. Department	2,328 12 0	7	Tractor Expenses	5,234 10 0
8	Reserve Fund Contribution of paddy cultivation by members	3,021 0 10	8	Bullocks	35,876 6 9
			9	Cows	18,635 9 0
9	Stock Depreciation Fund	31 5 6	10	Bullock carts	1,204 5 3
10	Reserve Fund	951 3 9	11	Implements	1,729 5 0
11	Stock Fund	4 13 6	12	Utensils and Diwali	11,764 5 0
12	Tractor Depreciation Fund	3,894 8 0	13	Bull Dozer Expenses	7,253 13 9
13	Building Depreciation Fund	216 13 0	14	Advance to Organizer	400 0 0
14	Building Fund	175 0 0	15	Advance to Refugees	..
15	Sale Deposit of Fertilizer	483 0 0	III.	*Society's Assets*	
		3,29,601 3 2	16	S.B.A./C with Bank	18,384 13 3

Serial No.	Liabilities	Amount Rs. A. P.	Serial No.	Assets	Amount Rs. A. P.
	Profits upto 30th June 1953	4,204 2 9	17	Tractor and Ploughs	32,445 4 6
			18	Godown and Tin Sheds	5,420 14 0
			19	Grocery shop with Declatram	805 0 0
			20	Dead stock	215 7 0
			21	Loan for shares	325 8 0
			22	Stock in trade	1,955 12 0
			23	Purchase Deposit in Marketing society	300 0 0
			24	Paddy in stock	
			25	Cultivation Advances	4,662 5 0
			26	Amount due against Rupchand	1,289 12 0
			27	Amount of Cash balance in Dispute with 2 Salesmen	1,352 12 0
			28	Amount of Sales proceeds of paddy	821 7 0
			29	Advance to 2 Refugees	250 0 0
			30	Advance to B.D.O. Fertilizer	83 3 0
				Closing cash balance	1,497 7 0
				(1) With society	..
				(2) Cloth shop	..
	GRAND TOTAL	3,33,805 5 11		GRAND TOTAL	3,33,805 5 11

8

STATE : MADRAS

SOCIETY:—ANDHIYUR LAND COLONIZATION CO-OPERATIVE SOCIETY

I. Introductory

Year of establishment . . .	October 1942.
Location	Village Andhiyur, taluk Bhavani, Distt. Coimbatore.
Audit classification	'B'.
Present number of members . .	73.
Maximum number of members allowed	86.
Land held	431·41 acres of Govt. land allotted to the society under ryotwari rights for formation of the colony. 90 acres are irrigated by wells. The land is comprised in one consolidated block.

II. General and Economic conditions of the village:

Irrigation facilities.—Altogether 35 irrigation wells have been sunk in the colony with the financial support of the Government by way of long-term loans extended over a period of 15 to 20 years. As some of the wells are not deep enough, supply of water for cultivation purposes is found to be inadequate. There are no other irrigation facilities and most of the members are solely dependent upon seasonal rain for their cultivation.

Cultivation.—Both dry and wet crops are being raised every year and food grains weighing 566½ maunds valued at Rs. 5,580 were harvested during the year. 262·15 acres were utilised during the year for raising cash crops and the borrowers generally repay their dues to the society out of the sale proceeds of their harvest.

Subsidiary occupation.—Sheep rearing, poultry-farming, bee-keeping and handloom weaving are the subsidiary occupations of some of the colonists to supplement their agricultural income. 18 colonists are engaged in poultry farming. As regards bee-keeping, only one member is maintaining a bee-hive and regarding handloom weaving only four looms are at present working in the colony and they are weaving art silk, getting about Rs. 5 each as weekly wages.

There is one elementary School in the colony managed by the Labour Department with two teachers for the benefit of the children of the colonists. Mid-day meals are given to the children on all the

working days. The school building—*i.e.*, a small hall very badly needs repairs. The strength of the school is 65 at present, out of which about 50 are Harijan students. The Dept. bears the cost of books, slates etc. supplied to students.

A building where general body meetings etc. could be held is nearing completion. This was completed by the colonists themselves with only Rs. 1,000 granted by the Government.

The need for 15 more irrigation wells is keenly felt by the members. They also want one more drinking water well besides two which already exist.

It is heartening to note that the different castes among the colonists are living together very peacefully. Among the seven panchayatdars, five are Harijans and the other two are caste-Hindus. The present President of the panchayat is a *Gounder* (Caste-Hindu) and he has held this office for 8 years now.

The agricultural operations of the colonists are on fairly good lines. Improved practices like use of iron ploughs, compost manufacture, use of green manures, line sowing of cotton etc., are also in evidence.

III. Rights in Land

The land originally belonged to the Government and was allotted to the society after alienation procedures were instituted. Now the society is the owner of the entire land with regard to everything else except selling or mortgaging it. The land however, will have to be surrendered in the contingency of Government requiring it.

The entire land available in this area was allotted to the society and the ultimate membership of the society was fixed on the basis of an ownership of five acres per individual member. Thus the total membership has been fixed at 86. During the course of years, reclamation of the land has been done by individual members after getting the allotment. Some lands have yet to be reclaimed.

The society holds the lands on ryotwari tenure subject to the conditions set out in the order of alienation issued by or under the general or special orders of the Government, and will be responsible for paying the assessment and water-cess due as well as all general taxes and local rates payable by law or custom to the Government. Government will have the right to resume the grant without compensation and re-enter the lands or any portion thereof in case of breach of any of the conditions of alienation or in case the scheme proves a failure, repay to the financing banks the sum due to them from the society subject to the limit of the sale value of the lands.

IV. Rights and Liabilities of Members

Special by-laws have been framed by the State for Land Colonisation Societies and these by-laws are applicable to this society also. The society at the time of its registration has to issue a declaration that it accepts these by-laws. These by-laws clearly state the rights and obligations.

There is no quota of labour allotted to each member. Each member is expected to cultivate the portion of land allotted to him to his best capacity. If however, any member fails to fulfill his functions the General Body reserves the right to recommend to the Registrar of Co-operative Societies the expulsion of the member concerned. As the lands allotted to the society were parcelled out to landless agriculturists, no land is held by members outside the farm within its area of operation. Members are not permitted to take loans from any person or institution other than the society. Liability of members is unlimited. All the members shall on the liquidation of the society be jointly and severally liable for the debts contracted by the society.

Rights and Obligations of members.—Each member will have occupancy right in his holding so long as he cultivates it, pays his dues, abides by the by-laws of the society and carries out the instructions of the society in the cultivation of his holding. If he fails to abide by these conditions and is consequently expelled from the society or if he relinquishes his holdings the contribution of Rs. 10 made on his behalf by the Government and the lands in his holdings may be transferred to a fresh member on payment of the amount already paid towards their value. Part of this amount may be paid to the expelled member, unless the society is unable to find a substitute, in which case, the lands will revert to the Government and he will not receive any payment. A member will have no right to sublet or mortgage or otherwise encumber his holdings. The holding will also be impartible.

Membership.—Only persons who are over 18 years of age can be admitted as members. Preference is given to those who have an agricultural bias, those who are landless and those who are willing to settle in the lands granted to the society. No person can have membership in more than one society. If a member is expelled, he is not eligible for readmission until a period of two years after the expulsion has elapsed.

The share capital of the society is for the present restricted to Rs. 4,000 made up of 4,000 shares of Re. 1 each. To those admitted to Colonisation Scheme, the Government pays a free grant of Rs. 10 towards the value of 10 shares in the society. The minimum share,

a member can hold is 10 whereas the maximum is 50. The contribution of Government towards share has come to Rs. 860 and the members contributions to Rs. 578. The land value adjusted towards shares comes to Rs. 5,335 thus bringing the total paid-up share capital to Rs. 6,773. An entrance fee of one anna per share subject to a maximum of Rs. 3 is charged. The value of the land paid by a member in yearly instalments is credited towards his share capital in the society. Reduction of shares held by members is not possible but an increase subject to the maximum is allowed. Shares are transferable with the sanction of the Board. Withdrawal of shares is prohibited. If a member, after admission, becomes bankrupt or insolvent, he ceases to be a member. Nomination of successors to membership is permissible, but if no person is nominated, the Board may transfer the membership of the deceased person to the nearest male heir.

The general body may expel a member, if in its opinion, he is unsuitable for the work expected of him or is indebted to any person or institutions other than the society itself.

V. Organization and Management

The land is distributed into blocks, one block being allotted to each member for purposes of agriculture. But it is difficult to say whether the members are tenants, agricultural workers or partners. They are for all purposes owners of the land but without right to sell or mortgage it. Although one of the objects of the society is to increase the capital wealth, the society does not hold any joint holding of farm equipment, implements or cattle.

Each member looks after the land allotted to him and conducts all the farming operations by himself. The society does not assign work to its members. No labour brigades are organised for any tasks. In so far as non-farming operations are concerned, all members of the society are members of the general body. This general body controls the working of the society. The society does not do any marketing. Day-to-day supervision and maintenance of accounts is done by the Senior Inspector of Co-operative Societies. Though all members are expected to reside in the colony, it has been seen that about five persons do not actually reside in the colony and they also do not attend to farming operations properly. No casual labourers are employed. Each member gets five acres on an average for cultivation and is allowed to enjoy exclusively the fruits of his labour.

In addition to the panchayat and general body, the Senior Inspector tenders all assistance in the management of the society. His services which are provided free will continue as long as the Government feels that such help is necessary. No paid staff is employed by the society.

The management of the society is vested in a Board of Directors consisting of seven elected members who are known as panchayatdars. These members are elected by the general body and their term of office lasts for two years after which they would be eligible for re-election. A President and a Secretary are elected from among the Directors. The Board of Directors meets once a fortnight to conduct the affairs of the society and its decisions should be supported by the majority of general body members to become valid.

The President is in overall charge of the society. He is the *ex-officio* treasurer of the society and has got the powers to appoint and dismiss the staff of the establishment with the approval of the Board. The Secretary is in charge of general administration of the society under the control of the President. The President will be responsible for any legal action taken against or on behalf of the society. The Board is responsible for the maintenance of all records and registers of the society and also for the correspondence with the Registrar of Co-operative Societies and others. It has the power to fix the scales of pay of its staff and to incur expenditure for the management of the society within the budgetary limits set by the general body. With the approval of the Registrar of Co-operative Societies, the Board has power to frame subsidiary by-laws for the conduct of the business of the society.

The Board of Directors are honorary workers though they are eligible for the pecuniary privileges such as T.A., establishment charges etc. The general body of the society is the ultimate authority for all matters relating to the society with a proviso that it should not interfere with the allotted work of the Board of Directors. It is responsible for the election and removal of Directors, annual report of the society, Registrar's annual audit certificate, the amendment or repeal of any existing by-laws or for framing any new by-laws, expulsion of members, consideration of complaints from members against the Board, and for the returns prescribed by the Government.

The members feel that the present type of management and its working in practice are satisfactory. They desire that this set-up should continue. However, if a contingency arises and the ownership of the lands is transferred to the members, they may like to be independent of the services of the Senior Inspector.

Funds.—The Society ordinarily obtains funds from the following sources:—

(i) Share capital and entrance fees;
(ii) Subsidies or loans from the Government or Central Banks;
(iii) Voluntary contributions from the members, institutions or individuals other than members;

Funds shall not be raised from any other sources without the previous approval of the Registrar of Co-operative Societies.

Restriction on borrowing.—The Board of Directors also can borrow either from members, non-members or from institutions registered under the Co-operative Societies Act, provided that the interest payable on the borrowed amount shall not in any case exceed 5½ per cent per annum. The total borrowings of the society both by way of deposits or otherwise and whether from members or others shall not at any time exceed eight times the paid-up share capital plus the reserve fund.

Loans.—The society borrows funds from the Central Co-operative Bank or other sources which are utilised for loans to members for agricultural expenses and reclamation of lands, if necessary. Loans are given to members of the society but not as a matter of right. All applications for loans are disposed of by the Board of Management. Grant of loans for periods exceeding one year need the approval of the general body. Loans are usually given for land reclamation, purchase of implements, construction and repairs of wells, tanks, dwelling houses, etc. and purchase of other cultivation requirements.

Provision has been made to prevent misuse of loans. A limit of Rs. 400 per member has been set for ordinary loans. For other loans like loans for reclamation of land, purchase of bulls, construction of houses in the Colony and other productive purposes, this limit can be exceeded to the extent of Rs. 20 per share held by the member.

Interest on loans is charged at the rate of 5½ per cent to 7½ per cent. per annum. These rates may be raised if the Central Bank requires it. Interest is calculated on daily balances. Security must be offered for loans either as deposits, sureties, mortgage of unencumbered immovable property, or agricultural produce lodged with the society.

Loans may be repaid within the period specified in instalments. The Board fixes the period for each type of loan. Usually the periods are fixed as follows:

(i) Loans for payment of *kists*, purchasing seed, manure, fodder and domestic requirements—One year.

(ii) Loans for the purchase of cattle—three to five years.

(iii) Loans for constructing cattle-sheds, purchase of oil engines and pumps, erection of motes or other contrivances for raising water, purchase of carts and implements—ten years.

(iv) Loans for reclamation of land, construction of dwelling houses, digging of wells and repairs to tanks—20 years.

Interest may be waived for the first two years after the disbursement and repayment may commence three years after disbursement. The instalments for long term loans are fixed in relation to the paying capacity and are timed to suit the selling time of agricultural produce. It may be stated here that in general, the members do not have any complaints about the grant of loans or the conditions governing the same. They realise that under the circumstances the conditions imposed are quite reasonable.

Deposits.—In order to encourage thrift, self-help and co-operation among members, deposits may, at the discretion of the Board of Directors, be received at any time from members and such deposits are given preference to loans from Central Banks. Three classes of deposits, as described below are allowed:

Fixed Deposits.—No fixed deposit will be received for a sum of less than Rs. 50 or an exact multiple thereof, or for a period less than six months.

Interest will ordinarily be calculated on fixed deposits at a rate not exceeding 4 per cent per annum. If a fixed deposit from a member or from a co-operative society be made for a period of not less than one year, the deposit being not less than Rs. 100, interest may be paid thereon at a rate not exceeding 4½ per cent per annum. Interest on fixed deposits will be paid yearly or at such shorter intervals as may have been agreed upon at the time of deposit.

Recurring Deposits.—A deposit made by a person who undertakes to pay to the society every month a fixed amount of one rupee or its multiples for a period of 12, 24, 48, 84 or 132 months is called a recurring deposit. The recurring depositor has to pay his monthly deposit before the end of every month, failing which he will be levied a penalty of 2 pies per rupee per month. His accounts will be closed if his arrears amount to the total sum of his four monthly instalments. It can be reopened by the Board of Directors if he pays up the arrears and fines due.

Home Safe Deposits.—This type of account is very convenient for small savings at home. Every depositor of this type will be supplied with a home safe, a lock and a pass book for a nominal price of annas six. Any time he can deposit money into his home safe for a period of 12 months. On the 4th of every month, this home saved amount should be entered into the pass book by the society. But interest will be calculated from the first of the month. No interest will be paid for the fractions of a rupee. The key of the home safe will be in the custody of the society and the safe will be opened by

the President in the presence of the depositor or his agent for the purpose of crediting the contents of the safe to the Depositor's account. The total amount with interest due will be paid to the depositor in the 13th month. If the depositor fails to make use of the home safe for a period of four months, his accounts will be closed and the actual amount deposited by him in the home safe will be paid to him. The society has the right to deduct any amount from his savings to recover any dues from him to the society, before clearing off his accounts.

Joint purchase and sale.—The Board of Directors may purchase wholesale the agricultural, domestic and other requirements of the members, but in making such a purchase it acts only as the agent of the members and accepts no liability for any loss occurring in the transaction. Purchase will be made only to the extent of the requirements of those members who are able to pay in cash or to whom the society is able to give a loan for the purpose of payment. The Board would also be competent to undertake the joint sale of the produce of their members at their request but in this respect also, it accepts no liability for loss and acts merely as the agent of the members.

Profits.—The net profits of the society as declared by the Registrar every year are to be disposed of as shown below:—

(1) One half of the net profits will be carried to the credit of the reserve fund;

(2) A sum not exceeding 7½ per cent of the net profits may be paid to a common good fund to be utilized for any of the purposes of sanitation, education, etc.

(3) 30 per cent of the net profits are to be set apart towards an "Implements Fund" which shall be utilised in purchasing agricultural implements for the common use of the members and the balance *i.e.*, 12½ per cent shall be carried to the Bad Debts Fund. After the necessary implements required for the common use of the members have been purchased, the amount at the credit of the 'Implements Fund' shall be utilised for other common productive purposes, *e.g.*, maintenance of a breeding bull, with previous permission of the Registrar.

Reserve Fund.—This has been set apart to meet unforeseen losses and belongs to the society as a whole and is indivisible. If the society is to be liquidated, this shall be used for discharging the liabilities of the society. If any surplus remains after meeting liabilities, this shall be used for public utility within the area in which the society operated. But if the choice of the object on which the funds are to be spent is not approved these funds may be placed

at the disposal of another such co-operative society formed in the area, as its reserved fund. If another society is not formed these funds will go to the Reserve Fund of the financing bank working in the area. If the society is split up into two or more societies, the reserve fund will also be split up proportionately.

Miscellaneous.—The Registrar of Co-operative Societies is the ultimate authority in giving a ruling on a by-law, and also in prescribing the mode of preparation of annual statements like profit and loss account, balance sheet etc. These are usually made upto 30th June of each year, which is the end of the co-operative year.

Any irrecoverable losses or loans may be written off by the general body subject to sanction of the Central Bank and the Registrar.

VI. Distribution of Income

There is no income for the society as such because (a) no wages are paid on any basis, (b) there is no ownership dividend as land belongs to Government, (c) no payment of any kind is made to members. Subsidies have been given for digging irrigation wells according to the needs and conditions of the members.

VII. State Assistance

Apart from the financial assistance rendered by the Government as indicated in Statements III and IV (appended), there has been no reduction in land revenue. Agriculture, Veterinary and Revenue Department officials also help the members whenever their advice is sought. A senior Inspector of the co-operative Department is also posted to supervise the working of this society along with two other societies.

VIII. Finance

Livestock, implements or machinery is owned by the individuals. It is not possible to give their exact value. Roughly however, the value of the livestock owned by the society is estimated at about Rs. 9,000. For details regarding the assets and liabilities statement I which is appended may be referred.

VIII. Development

The society has not done any land improvement except what the individual members have done on their own initiative. No mechanisation has been attempted. All operations are manual. Individual members have set up five weaving looms and other families during the off season collect fire-wood from the forests nearby. No marketing is done by society. Individual members market their produce.

IX. Colonisation

The Board of Directors may take lands on grant from the Government with the approval of the Collector of the District. After taking over this land, it can be rendered cultivable by the members of the society by contributing their labour or cash. Then the lands will be parcelled out to all members. The value of the land allotted to members will be collected from them by the society in 20 equal annual instalments and the amount will be remitted to the Government. The Government will pay a sum of Rs. 10 as a free grant to the colonists towards their share capital in the society on the basis of which the colonists may borrow the necessary money for the reclamation and cultivation of the land. The central bank from which the society borrows money will have the security of the lands in the possession of the society. The sum paid by the expelled members towards the value of the land will be repaid to them from the money collected from new members. A deduction of 10 per cent. of the amount will be made by the society as a penalty for this misconduct on the part of the expelled members.

The society has undertaken a housing scheme for its members with 12·05 acres set apart for the purpose. Each member is allotted 5 cents for housing and small houses have been constructed on these sites by the members themselves. There are 2 wells in the colony and one of them was sunk by the colonists themselves, while the other was sunk by the Revenue Department under Rural Water Scheme.

The society can undertake colonisation of waste lands, which can be rendered cultivable with the help of the members and located in blocks to the members. But so far no colonisation has been undertaken by the society. The members on their own initiative have built kutcha houses with thatched roofing, and they are also contemplating to construct pucca ones when they afford to do it. Streets have been laid out in the colony, but these are not yet paved or metalled. Proper drainage facilities are lacking.

There are some temples also in the village, both for the Goundas (Caste-Hindus) and for Harijans built by the members themselves.

X. General

The efficiency of operation of the society can be said to be fairly high. Though agricultural methods have not improved considerably, the present method *i.e.*, the traditional one is followed with a

fair degree of efficiency. Yield per acre on the farm can be favourably compared with those under similar conditions of the individual farmer's lands in the area. The farm is divided into plots of nearly equal area. Each member cultivates his allotted land according to his own ability. Though at present they are satisfied with the present set-up, in course of time they are likely to agitate for ownership rights over their allotted pieces of lands.

In recent years the budget of the society shows a net loss in its financial side. This loss is ascribed to the prevailing low prices of agricultural commodities which the members produce. This may also be due to the fact that full membership quota has not been reached entailing inadequacy of funds to that extent.

The members are very happy about the way in which the society is functioning. The objects of the society are fully understood by all its members. Since they were poor agricultural labourers, they were only too glad to accept the Government's offer and form the society by which they could become independent farmers to some degree at least. They expected allotment of lands for cultivation purposes and proper guidance for better methods of cultivation. They also expected that ultimately they would be given permanent occupancy rights over their lands. Their expectations were fulfilled to a large extent except for the fact that permanent occupancy rights have not yet been conferred on them. They ardently wish to continue the society and to increase and widen its scope in the direction of co-operative marketing, co-operative small scale industries centres, and co-operative health insurance scheme. All the members have equal shares of lands and hence there is no question of having large and small share holders.

The President enjoys much respect and confidence among the other members, as he has been holding that office for the past eight years. He is in overall charge of the society.

The lands where the present farm is located had been completely dry before it was given by the Government to the society. The members themselves had to make irrigation facilities by digging wells. In future co-operative farming schemes, it would be better if the Government provides all the irrigation facilities to the societies before handing over the land to the members for cultivation. This will enable and encourage the colonists to settle down permanently. In the absence of irrigation facilities the colonists have to depend on monsoon for raising crops and the risks attendant on this step discourage them from permanently staying as members.

STATEMENT I

Andhiyur Agricultural Land Colonisation Co-operative Society

Balance Sheet as on 30-6-'55.

Liabilities	Rs.	A.	P.	Assets	Rs.	A.	P.
Central Bank Loan	2,156	0	0	Cash on hand	7	14	0
Government loans	9,219	7	0	Current account balance in Bhavani Cooperative Urban Bank.	12	8	0
Paid-up share Capital	6,834	5	0				
Land value due from members	12	6	0	Reserve Fund invested	79	9	0
Building Grant	1,000	0	0	Share in Central Bank	100	0	0
Common Utility Fund	643	1	0	Loans due from members	12,855	5	0
Adjusting Heads	1,514	3	0	Accrued interest	8	0	0
Free Grant	100	0	0	Over due interest	555	0	0
Lease Reserve	456	0	0	Bee hives	120	0	0
Profit on sale of cloth	13	1	0	Furniture	66	8	0
Undisbursed profits	32	2	0	Land value paid to Govt.	5,392	10	0
Reserve Fund	73	11	0	Land value due from members.	12	6	0
				Building account	1,515	6	0
				Cement account	122	1	0
				Pass books	5	13	0
				Adjusting heads	1,189	13	0
				Kist due from members	166	13	0
Total	22,054	4	0				
Difference (plus)	135	6	0				
	22,189	10	0		22,189	10	0
				Excess in Assets	135	6	0
				(—) Overdue interest	555	0	0
				Net Loss	419	10	0

STATEMENT II

Profit and Loss Account as on 30-6-1955.

Loss	Rs. A. P.	Rs. A. P.	Profit	Rs. A. P.	Rs. A. P.
Interest paid .	653 4 0		Interest Received	503 8 0	
Less last due .	70 0 0		Add Accrued		
		582 4 0	Interest .	8 0 0	
				511 0 0	
Establishment & contingent charges paid and due.		376 1 0	Less last accrued	10 0 0	501 8 0
			Miscellaneous Income .	358 0 0	
Depreciation on furniture .		3 8 0	Add due .	166 13 0	
Last half year's loss .		466 0 0			
				524 13 0	
			Less last due .	30 11 0	494 2 0
			Land value due from members reduction in reserve		12 9 0
TOTAL .		1,427 13 0			
NET LOSS (—) .		419 10 0	TOTAL . .		1,008 3 0
		1,008 3 0			

STATEMENT III

STATEMENT SHOWING THE DETAILS OF LOANS RECEIVED BY THE SOCIETY.

Serial No.	Source of Loan	Date of Advance	Purpose of Loan	Amount Received	Period of loan	Rate of Interest	Amount Disbursed	No. of persons benefited	Balance if any. If closed; date of closing	Remarks
				Rs.	No. of years		Rs.			
1	State Government	29-3-46	Purchase of Bulls	1,375	5	Interest free	1,375	11	30-3-51	
2	Do.	March 45	Agricultural Implements.	750	15	Do.	750	30	20-5-52	
3	Do.	15-6-45	Irrigation wells	1,200	20	5½	11,025	31	Rs. 8453-9-0	
	Do.	28-6-46	Do.	9,300						
	Do.	29-6-46	Do.	525						
4	Do.	5-7-47	Bulls	1,125	5	Free of Interest	1,125	9	20-5-52	
5	Do.	30-3-48	Bulls	750	5	Do.	750	6	11-5-53	
6	Do.	22-11-48	Bulls	625	5	Do.	625	5	23-11-53	
7	Do.	22-11-48	Land Reclamation	250	5	Do.	250	5	23-11-53	
8	Do.	22-11-48	Agricultural Implements.	100	5	Do.	100	4	23-11-53	
9	Do.	29-1-49	Bulls	1,000	5	Do.	1,000	8	10-3-54	
10	Do.	29-1-49	Agricultural Implements.	225	5	Do.	225	9	10-3-54	
11	Do.	9-3-49	Bulls	375	5	Do.	375	3	10-3-54	
12	Do.	30-11-49	Land Reclamation	1,350	5	Do.	1,350	23	2-2-55	
13	Coimbatore Nilgiris Cooperative Central Bank Ltd., Coimbatore.	17-11-52	Deepening of wells	3,600	5	5 per cent.	3,600	11	Rs. 2,156	

STATEMENT IV

Particulars of grants sanctioned to the society from time to time.

Particulars	Date	No. of members benefited	Amount
			Rs.
I.—*For purchase of Bulls*—			
1. No. 16896/46. U1 dt. 6-12-46	3-2-47	26	3,250
2. No. 1714/47. U1 dt. 24-3-47	29-3-47	9	1,125
3. No. 1714/47. U1 dt. 22-5-47	5-7-47	9	1,125
4. No. 17471/47. U1 dt. 27-2-48	30-3-48	5	625
5. No. 80931/48. U1 dt. 28-9-48	24-11-48	5	625
6. No. 105075/48. U1 dt. 27-11-48	17-1-49	6	750
7. Particulars not known	29-3-46	5	625
TOTAL		65	8,125
II.—*For purchase of Manure*—			
16896/47 U1. dt. 16-12-46	3-2-47	30	1,450
III.—*For sinking wells by*			
Revenue Department	29-4-46	26	7,380
	9-5-46	5	1,500
		31	8,880
IV.—*For Cottage Industries*—			
(*a*) Sheep Rearing 18888/45U1. dated 15-4-1949	28-3-50 26-11-51	20 12	1,000 600
(*b*) Handloom Weaving	28-7-50	17	400*
(*c*) Bee-keeping	28-7-50	20	100
(*d*) Mat Weaving	28-7-50	5	100

*A sum of Rs. 100 being the unspent amount out of this has been permitted by the Registrar to be diverted for Sheep Rearing. It would be spent as soon as funds are available in the society.

STATE: ORISSA

SOCIETY.—THE GOPABANDHU JOINT COOPERATIVE FARMING SOCIETY

I. INTRODUCTORY

Year of establishment	June 1950.
Location	Village Darpanarayanpur, Subdivision Nayrgarh, District Puri.
Audit classification	'C'.
Present number of members	17
The number of persons who have left since the inception	36
Land held	225·93 acres of forest-land taken up for reclamation and settlement. The entire area is in a single block intercepted only by 30 acres owned by 14 outsiders.

II. GENERAL AND ECONOMIC CONDITIONS OF THE VILLAGE

This is a colony organised for rehabilitating landless labourers of the area. The entire area covered by shrub jungle was taken on lease except 39·12 acres purchased by the society from one of its members later on. The colony known as Bapu Ji Nagar named after Mahatma Gandhi is now inhabited by only 8 members, and the rest of them living outside the village and are non-working members. Even these 8 members staying in the area have kept their families in their respective villages.

The principal crops grown are paddy, jute, oil-seeds, sugarcane and pulses. The source of water for drinking and cooking purposes used to be a neighbouring hill stream but recently a well with a grant of Rs. 360/- received from the Devothar fund has been dug and its water is now being used by the people in the colony. A few sheds have been constructed providing housing facilities to the members but they are not of the type of residential quarters. The colony is in an isolated jungle area. The members do not like to stay in the colony because of the caste differences among them and also due to its secluded location. The latter would deprive other members of their families of the supplementary income which they can earn through sundry jobs in their villages.

A programme to impart agricultural training to some members drawn from the 'Sarbaswa Dall' villages in 3 districts has been arranged in this farm by the organisors of 'Gandhi Smarak Nidhi-' of this State. An instructor trained at Wardha is imparting training. An amount of Rs. 1,200/- has been budgeted for this training for a period of 4 months during the current Kharif.

III Rights in Land

The land is held in the name of the society. One enthusiastic social worker who is now the President of this farming society organised a batch of labour class families for joint cultivation and applied for lease of forest land for rehabilitating them on co-operative basis. The registration of the society was done as soon as the lease for an area of 186·81 acres of forest land was granted for reclamation. With a loan obtained from the Central Bank after its registration, the society purchased 39.12 acres of fallow land from one of its members for an amount of Rs. 355/2/- to make up its total area of 225·93 acres and invested the rest in construction of sheds, clearing jungle and reclaiming lands.

IV. Rights and Liabilities of Members

Each member has a share of Re. 1/- each and the land has been reclaimed by the society with the loan amount borrowed from the Revenue Department and the Central Bank. According to the bye-laws all the members must live and work on the farm. All the working members of the society are joint owners of the land and have equal right over the society's land excluding house sites marked out to each of the members living in the farm premises for their private gardening. The members own land in their native villages which are beyond the area of operation (1 mile radius) of the society.

All the members are required to render sufficient labour for the cultivation and improvement of the farm. Usual wages at the local rates or 5 to 10 per cent. less may be paid to the members for the labour rendered and the net proceeds of the year will be distributed among the members according to the number of man days' labour put in by each of them. Out of 17 members on roll, 9 are non-working members who are not entitled to be retained as members according to the bye-laws. Since they have not yet been expelled there are some apprehensions in the minds of the labour class-working members. The society was at first organised with 21 members. At the end of the first year the membership fell to 18 but again fresh enrolment was made so that it increased. However it continues to fluctuate and though till the end of June 1955 as

many as 53 members were enrolled, actually only 17 members continue in the society, the remaining 36 having left it for various reasons.

Some of the members own land in their native villages which are beyond the area of operation (1 mile radius from the farm) of the society and their personal owned lands are not included in this farm.

Only one leading member has given security of his personal property while borrowing the loan amount. There is no mention in the bye-laws about the right of the members to take loans from sources other than the society but there does not appear to be any such restriction.

The liability of the society is unlimited and the members are jointly and severally responsible for the payment of all dues and charges payable by the society.

V. Organisation and Management

Leaving aside 30 acres of area that was leased out for cultivation to some outsiders, the remaining land is managed by the society as one farm for all agricultural operations, the members being employed on wages by allotment of work among them either individually or in groups. However, casual labourers are also employed for operations such as reclamation of forest land, levelling, etc. Though there is a provision in the bye-laws according to which the bullock power and other equipments owned by each individual member in his native village should be used for the work of the farm, so far no member has brought his personal equipment to the farm. Whenever the extra man-power were supplied by each member it was duly paid for by the society.

The President assisted by two other members of the panchayat manage the farm. The members living in the farm, work more or less as casual labourers and hence the entire burden of running the farm falls on the President who acts as the Manager for which he is not remunerated specially. Care of cattle, stocks, crops, general supervision etc., are entrusted to some members by passing resolutions to that effect but the members thus assigned work do not seem to evince much interest in the works entrusted to them. So far no particular action has been taken against the defaulters or those responsible for mismanagement. They are only warned against any irregularity that is observed. The secretarial & accounts work is done by a Sardar Supervisor appointed and remunerated by the Co-operative Department for the purpose.

Apart from the eight active members others are merely members having future hopes of sharing the benefits of the land now in the process of improvement. The casual labourers are drawn whenever necessary, usually from the member families. The local wage rates vary from Re. 1/- to Annas -/12/- depending upon the season whereas the members are paid at As. -/12/- per day. An area of one acre is marked out to each of the residing member for his personal use. Little use has been made of this land since such members are too busy to devote any time for this purpose.

For the labour put in by the members, many a time only part payment is made, the rest of it due to them being credited to their accounts. An amount of Rs. 400/- is thus due to the working members by the end of the year. Having no other resources to fall back upon, such meagre part payments cause a lot of inconvenience to the members.

The panchayat headed by the President draws up the cropping programme along with the programme of land improvement. Two of the panchayat members being illiterate and the other two being absentee non-working members, most of the responsibility of planning and supervision of the work is shouldered by the President who is the main spirit behind this enterprise. The entire agricultural operations are financed by the society. Besides utilising the resources of its own, the society has to draw upon the Co-operative Central Bank and other Government financing agencies for supply of credit for improvement of the farm. All the farm equipments are owned by the society and the seeds, manures, and equipments are purchased by the society directly from the market and sometimes from the Agricultural Department. A storage godown has recently been constructed by the society for which a subsidy of Rs. 2,000/- was given by the Co-operative Department. The farm produce is marketed either at the farm itself or at the markets in the villages nearby. Some of the foodgrains are utilised in making payments in kind to the workers.

The following amounts have so far been borrowed by the society from different sources:—

Source	Amount borrowed	Rate of interest	Amount repaid	Amount due by 30-6-55
1 Cooperative Central Bank in 22 instalments from 26-6-50 to 4-6-53 . .	Rs. 13,000	8 percent per annum.	7,800 besides interest.	Rs. As. P. 6,469 3 0
(2) Taccavi loan for land improvement (from revenue department) in 3 instalments from 6-9-51 to 28-7-52 . . .	15,000	6¼ per cent. per annum.	..	18,135 4 0
	28,000		7,800	24,604 7 0

VI. Distribution of Income

The entire produce belongs to the society. The wages are paid to the members either in cash or in kind on the basis of daily wage rates which usually vary with the seasons. These are however a little lower than the locally prevailing wage-rates, as the farming is not yet financially sound enough. However in view of the security of employment which the farm affords, the members have no grudge against the reduced wage rates. Besides wages the members are entitled to a proportionate share of net proceeds after meeting all costs including the interest on loan and the kist due, according to the number of man days put in by each of them.

The income and expenditure are not budgeted for any item of work at any time. No definite policy or proportion has yet been laid down for fixing the limits of expenditure on any item as the farm is still in the process of development and works of capital nature are in progress. At present more emphasis is laid on the repayment of loans and further improvement of the farm land.

VII. State Assistance

The Government has come to the aid of the society by both advancing loans and granting subsidies besides rendering the necessary technical and organisational assistance.

(i) Financial:

(a) Grants and subsidy—

	Amount Rs.
(1) Drinking water well (Devothar Fund)	360
(2) Construction of an approach road (Revenue Department)	245
(3) Construction of a godown (Co-operative Department)	2,000
(4) A Sardar Supervisor for the last 3 years at the rate of Rs. 52 p.m. (Cooperative Department)	1,872
(5) Reclamation of land and improvement of the farm (Co-operative Department)	19,500

(b) Loans—

Revenue Department for land improvement at the rate of 6½ per cent. per annum	15,000

(ii) The land revenue or rent has not been reduced but exemption from the payment of land revenue for one year has been given.

(iii) Technical assistance, supply of improved seeds, and fertilizers are often provided by the Agricultural Department, but need for active guidance to the society to utilise the resources to the best advantage is very much felt.

(iv) One Sardar Supervisor paid by the Co-operative Department was employed to supervise the farm work, arrange supplies, maintain the accounts and records and assist the President in the smooth working of the farm.

(v) Priority in obtaining the existing farm land on lease was given since its reclamation for rehabilitation of the labour class families was contemplated on a co-operative basis. However the society has not taken any more land on lease because even its present land has not yet been properly brought under plough.

At present the total amount of outstanding loan is Rs. 24,604-7-0 after repayment of an amount of Rs. 7,800 with interest to the Co-operative Central Bank. The amount was mainly borrowed to render the entire jungle land cultivable and make the area a regular remunerative unit of cultivation holding. The loan from the Central Bank is payable in 5 to 7 years while the Revenue Department loan of Rs. 15,000 is payable in 15 annual instalments. The society has not yet been able to repay the loan regularly.

The audit report for the year ending June 1955 has not yet been prepared as such the balance sheet for the year is not available. However, latest position as available from the records is given in Statement I.

Up-to-date liabilities of the society are as under:—

	Rs.	A.	P
Paid up Share Capital	53	0	0
Loans from Central Co-operative Bank with interest due	6,469	3	0
Loan from Government with interest due Sundry-Credits	406	11	0
	22,558	11	0

As regards the assets, the following are some of the main items besides the reserve capital.

Items	Value in Rs.		
(1) 6½ pairs of livestock	836	14	0
(2) Dead Stock (implements, tools etc.)	111	2	0
(3) Stock	587	11	0
(4) Advances recoverable	552	0	0
(5) Share Capital in Central Bank	600	0	0
(6) Farm equipments	318	7	0
(7) Current deposit, sundry dues etc.	15	10	0
(8) Cash balance	355	0	0
(9) Houses and Sheds]	511	0	0
(10) Investment on land improvement	*17,420	8	0
	21,308	4	0

*N. B.—The entire amount spent on this item cannot be precisely accounted for as assert formation since there appears to be some losses due to mismanagement of the work.

Reserve Capital:—

	Rs.
1. Value of land at the time of taking lease for Reclamation	10,388
2. Value of godown, well and road, constructed with Government grants	2,705
	13,093

A further subsidy of Rs. 19,500/- has since been granted by Government and the first advance has been drawn for land reclamation and improvement in July 1955.

In the rough balance sheet for the year 1954-55, a profit of about Rs. 2,000/- has been shown. This is due to the fact that the farm income is inflated by an amount of Rs. 3,000/- derived from the sale of timber of the shrub jungle and a government subsidy of Rs. 100/- in kind by way of free supply of manures and fertilizers

etc. These items are not regular items of income from the farm. The total labour input of both members and permanent or casual labourers has been accounted under capital expenditure although a considerable part of it was actually spent on the cultivation operations. Hence the entire amount of Rs. 17,420-8-0 which also includes such recurring cultivation expenses cannot be taken as the value of the assets so formed.

IX. Development

The resources and efforts of the society have been concentrated on the reclamation and improvement of the farm. The forest land taken up by the society was undulating and the works right from the clearance of jungle to conservation of the same into levelled cropping land, filling up the gullies and bunding to check erosion had to be taken up by the society. Even now the area cannot be considered perfectly culturable though crops are being raised over the same. Till a few months back about half of the land was covered by jungle while the rest was in the process of reclamation and improvement. The society has not been able to resort to proper follow-up cultivation on the cultivable area due to lack of sustained interest and co-operation of the members as a result of which an area of about 30 acres was leased out to the outsiders last year. Since such land requires constant working and heavy investment before actually yielding regular income, the farm is not able to balance its income with the scale of expenditure involved now. The President has been working single handed and the scheme of work is entirely his own. He appears to have launched a very ambitious programme scattered over wide areas, without a well balanced follow-up programme. This appears to have resulted in the wastage of some of the labour and capital invested. Timely technical guidance and frequent supervision to ensure consistent progress according to the schedule will have to be provided in an adequate measure in order to make the farm self-sufficient. The work is now proceeding with bullock and man-power and no machinery has been resorted to so far. The farm is situated at the foot of the hills. Well or tank irrigation does not provide much scope but harnessing of a nearby hill stream is estimated at Rs. 93,000/- which is beyond the scope of the farm at present.

The programmes of taking up public utilities and social activities have been deferred for the present. However the society has under consideration a scheme to develop this colony (Bapuji Nagar) into a model village by providing all amenities and public utilities when the farm is placed on a sound footing.

X. General

This farming society is the result of the efforts of a single individual who with the good intention of rehabilitating the landless and the agricultural labourers as also himself has gathered members from the villages which are in the radius of 20 miles from the site of the farm located in an isolated jungle area. Though most of the members were either landless or with little land, they were drawn from varying economic groups and belonged to different castes. The members appear to have enrolled themselves as a result of a momentary temptation but their interest could not be sustained in all cases. They were enrolled with a fee of Re. 0-4-0 and share of Re. 1. Lack of immediate gains from the farm, difficulty in shifting to the farm premises having less amenities, lack of a cohesive attitude towards this task among the members drawn from more than 9 villages with varying social and economic status are some of the reasons due to which the progress of the farm is slow. This is evident from the fact that out of a total number of 53 members enrolled at different times 36 members have left and out of the remaining 17 members, none of them practically attended the farm works during last summer when the society had to engage 12 permanent labourers to run the farm. Of the 9 absentee members, 4 are well-to-do contractors who seem to have joined the society more with a speculative view than a desire to develop land and rehabilitate landless labourers on co-operative basis. Now the entire responsibility of running the society has fallen on the President. He is not always able to adhere to the rules and procedures laid down in the by-laws and consequently certain irregularities are also observed in respect of maintenance of records, etc. It is necessary that enthusiastic and interested members should be enrolled to make the society function more efficiently and to achieve its objective in a shorter time or else the heavy borrowed capital outlay will tend to prove an unbearable liability to the society.

The yield rates of the farm do not compare favourably with those of the neighbouring fields because no particular attention is given to better standard of cropping. Cropping is given a seconddary importance, the main object being to bring the entire area to a particular cultivating standard. In case of about 1 acre paddy plot, however, the yield was very good last year because it was an experimental plot where fertilizers and oilcakes were applied.

Now all the members are practically struggling for existence in spite of the fact that a fairly large area is now under cultivation. Famine, destruction of crops by wild animals, soil erosion

etc. are some of the other reasons that affected the working of the farm.

The society desires that besides this subsidy, the government should execute an irrigation project at an estimated cost of about Rs. 1,08,000. A whole time Co-operative Inspector is also desired to be attached to the farm. Items like provision of irrigation may be indispensable but it is felt that no amount of subsidy or government aid alone can be of any avail unless the society is properly reorganised by taking in more sincere and interested members who can devote themselves to make the farm self-sufficient.

STATEMENT I

Rough Balance Sheet as on 30th June, 1955

Liabilities	Rs. A. P.	Assets		Rs. A. P.	Remarks
1. Reserve Capital (land value)	10,388 0 0	1. Godown and road etc.		2,301 7 4	These have been included here to balance the figures so that the figures not indicate false Profit.
2. Reserve Capital (for godown)	2,705 0 0	2. Land value of Ac. 225·93		10,388 0 0	
3. Paid up S. C. (well and road)	53 0 0	3. Value of well less depreciation at the rate of 5 per cent. Rs. 14		256 12 0	
4. Loan due to Government	15,000 0 0	4. Houses less depreciation at the rate of 5 per cent. Rs. 27		511 0 0	
5. Interest on Government	3,135 4 0	5. Furniture less depreciation at the rate of 20 per cent Rs. 79-10-0		318 9 3	
6. Loan due to Central Bank	5,728 0 0	6. S. C. in Central Bank		600 0 0	
7. Interest on Central Bank	741 3 0	7. Advances recoverable		702 0 0	This relates to the advance given to 12 permanent servants maintained.
8. Misc. Advances payable	2 0 0	8. *Capital Expenditure*—			
9. Pay to Halias	150 0 0	1. Upto last year Rs.	16,429 8 11		
10. Wages	0 12 0	2. Earth work during the year	50 4 0	17,420 7 6	
11. Maintenance	400 0 0	3. Maintenance charges	673 14 8		
12. Bonus	3 8 2	4. Clearance of jungle	266 12 0		
			17,420 7 6		
Total	38,306 11 2	9. Livestock less depreciation at the rate of 10 per cent. Rs. 93		836 14 0	
		10. Dead stock less depreciation at the rate of 10 per cent. Rs. 12-6-0		111 2 0	
		11. Suspenses in Central Bank		7 14 0	
		12. Sundry dues recoverable		0 12 0	
		13. Current deposit		7 0 0	
		14. Stock Value		587 11 0	
		15. Closing Balance		355 14 3	
				34,405 7 4	
		16. (—) Last Year's loss Rs. 5,875-15-0 (+) year's profit Rs. 1,974-11-2		3,901 3 10	Loss.
		Total		38,306 11 2	

STATEMENT II

Trading Account of the Farming Society for 1953-54

Dr.	Rs. A. P.	Cr.	Rs. A. P.
1. Previous year's balance stock. (Value).	441 0 0	1. Sale of produce .	2,071 13 0
		2. Stock in hand (Value)	532 6 0
2. Fodder . . .	1 3 0		
3. Pay	529 14 0		
4. Cultivation Expenses .	245 9 0		
5. Repairs. . . .	35 1 0		
6. Rent and taxes . .	18 9 0		
7. Bonus	621 0 0		
8. Gross profit . . .	711 15 0		
Total . .	2,604 3 0	Total . .	2,604 3 0

STATEMENT III

Profit and Loss Account for 1953-54

Profit	Rs. A. P.	Loss	Rs. A. P.
1. Fee	0 5 0	1. Interest on borrowed capital . .	1,423 15 0
2. Misc. Income . .	167 6 0	2. Misc. expenses .	72 10 0
3. Taxes	91 0 0	3. Travelling allowance	156 14 0
4. Gross profit . . .	711 14 0	4. Depreciation on equipments . .	199 13 0
5. Net loss . . .	882 11 0		
Total . .	1,853 4 0	Total . .	1,853 4 0

10

STATE: **ORISSA**

SOCIETY: SULIA JOINT FARMING COOPERATIVE SOCIETY

I. INTRODUCTORY:

Year of establishment	Though the activities of the farm started in October 1952, the society was not registered until February 1955 owing to some uncertainty about the title of the land.
Location	Village Solapata, Puri District.
Audit classification	Not yet decided.
Present number of members	There are 40 members in the society, all of whom are working.
Land held	The area held by the society comprises 205 acres of jungle land which was purchased by the society for reclamation. The entire area is in one block.

II. GENERAL AND ECONOMIC CONDITIONS:

This farm is situated amidst forests in the neighbourhood of which the landless poor people of the area are purchasing land from one of the heirs of an Ex-Zamindar for settlement. The society is located at a distance of about 4 miles from the village Solapata. Of the 40 members in the society, 36 belong to this village while the other 4 are from the neighbouring villages, 6 to 10 miles from the farm site. Only five members own more than 5 acres of land but their households are also quite large having 12 to 14 members. The other members are either landless or have very small holdings.

Being a jungle area where a single individual cannot venture to settle, the members joined in a collective effort to clear the jungle, reclaim the area and convert it into a good cultivation unit. Most of the members are landless agricultural labourers and except 2 who are Brahmins, all others are Khandayats whose main occupation is cultivation. They are very hardworking by nature. Soon after taking this area for joint reclamation and cultivation, they were drawn into litigation. The cause of litigation was that the neighbouring villagers objected to this area being converted into a cultivation unit on the ground that this was formerly a pasture area of those villages and they were depending upon it for their fuel and other forest needs. They had to jointly fight out the cases due to which their ties got strengthened all the more. Some of the cases are still lingering on. The farm would have by now become more prosperous, had most of its income (about Rs. 1,500/-)

not been diverted in fighting out these cases and had been, instead, invested on the improvement of the land.

A few kutcha sheds have been constructed in the farm premises where at least half the members live by shifts. All the 40 members regularly work on the farm turn by turn.

The entire area is rainfed and Kharif is the only cropping season. Principal crops grown are ragi, paddy, gingelly and mustard. Vegetables, fibres and other miscellaneous crops are also grown in small patches to meet the day-to-day needs of the workers and the society. One drinking water well has been sunk recently. Previously the water from a neighbouring hill stream, which has since been dammed, was serving their needs.

III. RIGHTS IN LAND:

The farm land was jointly purchased by 41 persons, each member contributing Rs. 125/- towards its cost (Rs. 5,125/-). One of the conditions imposed while purchasing this farm jointly was that every member would actively take part in all the farm activities, failing which his rights on land would be forfeited. One of the co-sharers who did not actually work on the farm had to discontinue though he had contributed his share for the purchase of the land. As said above, owing to the uncertainty regarding the title of the land, registration of the society was deferred till February, 1955 when the title of the land was conferred on the 40 working members in a court of law.

The land is held in the name of the society and all the members have equal rights and privileges on the land since they have put in equal amount of labour and capital.

IV. RIGHTS AND LIABILITIES OF MEMBERS:

The liability of the society is unlimited. The bye-laws require that all the members should reside within the area of operation of the society *i.e.*, 5 miles from the village Solapata, though provision is also made to take in members having no residential qualification but holding lands within the block or adjacent to it and agreeing to get such lands within the fold of cooperative farming. All the members are required to render sufficient labour for cultivation and improvement of the farm. Every member shall take at least one share (Rs. 5/- in value) and can take 20 such shares and he shall be permitted to withdraw any shares held by him in the society after five years from the date of purchase of shares provided there are no debts or any other assets due from him to the society. If, however, any member ceases to be eligible for membership either

on account of change of his residence from the area of operation or for any other reason he will be entitled to be paid back his paid-up share capital, dividend and bonus, if any. Each member can nominate any person to succeed him in the event of his death but no member can be permitted, except with the previous sanction of the panchayat to transfer his shares in favour of any other person.

Members as well as non-members may be engaged in the work of the society on the basis of daily wages and they are subject to the supervision and control of the President. Failure to abide by the bye-laws shall render a member liable to a penalty upto Rs. 10/-. The members shall be the tenants of the land after complete repayment of loans incurred by the society. Separate plots of land shall be assigned to the members and tenancy rights shall be given to them and the society will be liable to pay the rent and taxes to the Government or private owners of land.

V. ORGANISATION AND MANAGEMENT

Most of the area was covered by shrubs and except for a few acres, the entire area was an unreclaimed virgin land. Most of the area is by now cleared and reclaimed. Close follow-up cultivation is also adopted so that the reclaimed area may not again be covered by forest vegetation. The reclaimed area is cultivated by the society itself as one farm with its ever-working team of 40 members. Besides this labour force, during busy seasons the resources of the members at home, such as, extra human labour, livestock, ploughs, equipment, seeds, manures, funds etc. are also drawn in to complete the operations in time so that the farm work may not suffer. Thus, without any financial assistance from any outside source the farm could be managed with a high degree of efficiency making considerable improvement with a short period of 2½ years. Each member considers the farm as his own and acts in a manner conducive to the healthy development of a team spirit. Most of them being drawn from only one village with practically no differences in caste, social customs, attitude etc., they abide by the instructions of a few elderly persons who are their leaders.

The management of the farm rests with the panchayat. The President and the Secretary, who send their substitutes also, visit the farm weekly by turns for overall supervision. Besides, they look after the court affairs also without any extra remuneration. The other panchayat members who constantly make themselves available for the farm work are incharge of the day to day activities.

The secretarial as well as accounts work is managed by 2 literate members who, besides these jobs, also work on the farm. They, however, accept no extra remuneration. A daily attendance register is maintained at the farm and the members who are absent on health or other grounds are cautioned about the shortages of mandays to be put up by them so that the shortage may be made good. No daily wages are paid to anybody at present. The members draw their rations from home and work in the farm and harvests are shared in proportion to the mandays put in by each of them. Cases of hardship among the absentee members are, however, taken into account and exemption is granted in deserving cases while the distribution of the produce or other farm income is decided upon by the society. The finances for the farm both for raising crops and capital investments are drawn equally from each member.

Till recently the society did not have any of its equipment or bullock power and members were providing all equipments necessary for the purpose. Out of a loan of Rs. 2,700/- recently taken from the Cooperative Central Bank, 2 pairs of buffaloes at a cost of Rs. 300/- and tools and implements worth Rs. 100/- were purchased by the society. The bullock power now owned constitutes 1/10th of the present requirements and the rest of 9/10th is supplemented by the members as in the past. The remaining amount was utilised for layout of the farm by engaging extra casual labour.

Since almost all the members are available for the farm work throughout the season and all of them live on a common mess, they sit in the evenings and plan out the farm works as well as the daily works according to the priorities. Although the panchayat is entrusted with the management affairs, almost all the members are invariably consulted. This is a healthy feature and is reported to be working quite well. Nobody feels himself ignored. The entire society works like a joint family administered by a few elders. No paid staff is maintained.

The farm produce is directly sold to the dealers in the local weekly or daily markets. Some of the produce is also shared by the members in kind as agreed to by all.

VI. DISTRIBUTION OF FARM INCOME:

The entire produce of the land belongs to the society. The farm produce during the past two years was sold and utilised for fighting out the cases in the law courts. The entire farm income was to be distributed equally provided the labour input was uniform according to an understanding among the members. Since the society has been now registered the clauses in bye-laws in this

respect would be adhered to in future. It has been provided, in the bye-laws that ordinarily the farm produce would be disposed off as follows:—

(i) 25 per cent. of the produce shall be set apart to be distributed among members as production bonus.

(ii) 50 per cent. shall be set apart for repayment of loans incurred by the society.

(iii) The remaining 25 per cent. shall be utilised for the improvement of lands and buildings.

The farm is now in the initial stage of development and has not yet started yielding profits. Now the members are investing their labour, equipment etc. for capital items of works according to the resources at their command and not according to the requirements in view of the rapid development of the farm. As such no definite budgeting is resorted to, but priority is fixed for the prompt repayment of the loans borrowed. No definite policy has been laid down for fixing the limits of expenditure on items like public utilities, meeting distress and calamities, or building any other fund etc., at present.

VII. STATE ASSISTANCE:

So far no State aid has been given to the society except the technical assistance rendered by the staff of the Co-operative and Agricultural Departments.

VIII. FINANCE:

All the resources of the members are pooled by them to the extent of meeting the immediate needs of the farm either in the form of man power, cattle power, farm equipments, seeds, manures etc. or sometime small amounts of cash also. An amount of Rs. 2,700/- borrowed recently from the Central Bank at a rate of interest of 8 per cent. per annum is outstanding in full. Since the society was recently registered, maintenance of accounts on proper lines is now insisted upon. Details about the previous years are not available since no clearcut records were maintained.

IX. DISSOLUTION:

There is no specific provision in the bye-laws for the conditions on which the society could be dissolved. The discretion rests with the Registrar, if circumstances so need.

X. COMMUNITY PROJECTS AND N.E.S.:

This society is located in a community development block. The cooperative Extension Officer of the block has helped in the organisation of the society. So far no aid or assistance has been rendered by the block for its further development.

XI. GENERAL:

The society is working on right lines and is functioning quite efficiently. All the members are sincere, hardworking and cooperative. A desirable team spirit has already developed with the leadership of 2 or 3 influential members. Most of the members being either landless or having very small holdings, the ready availability of land at a cheaper rate has tempted them to join together and launch the joint enterprise in order to rehabilitate themselves better on a unit of 5 acres of good land per member. They feel the favourable changes and they are confident that if some government aid or subsidy and loans are made available and rain-fall is also timely, the farm can prosper and become a dependable unit of farming in the course of 2 or 3 years more. However, it is felt that in order to make cultivation economic, the average holding per member should be about 10 acres. It is heartening to note that during busy seasons even their women come and stay in the farm and supplement the labour force of the members themselves. Half of the family goes back home every evening while the other half stays in the farm during the night. This goes on for 4 days and the process is reversed for the next 4 days. Thus at least 20 members by turn always live in the farm while the other 20 remain at their homes.

For rapid development of the farm and improving the quality of the land the society expects some aid for undertaking an irrigation project.

The yield rates of the farm compare favourably with that obtaining in the neighbouring farms under similar conditions and the society is making all efforts to improve the standard of cropping.

STATEMENT I

Details of the crops grown during 1954-55

1954-55	Area in acres	Yield in maunds	Value in rupees
Kharif			
Ragi	14·0	45	300
Paddy	8·0	45	300
Rabi.			
Mustard	5·0	20	600
Pesu (mixed with Ragi)	12·0	4	40
Gingelly	15·0	55	715
Vegetables	2·20		100
Jute		0-20 Srs.	10
TOTAL	56·0		2,065

II

STATE: **PUNJAB**

SOCIETY:—THE B.G.S.* COOPERATIVE FARM LTD.

I. Introductory

Year of establishment . . .	February 1951.
Location	Village Shahabpura near Batala, Distt. Gurdaspur.
Audit Classification . . .	'B'
Present number of members . .	3 working members. 16 non-working members.
TOTAL .	19
The number of members who have left since the inception . .	7
Land held	497 acres held by the members as quasi-permanent allotment and 28 acres of land held by the society on lease from non-members. Most of these 525 acres are irrigated by wells with pumping sets. The land is comprised in four blocks in four villages.

II. General and Economic conditions of the village

The total area of village Shahabpura was held by the Muslims which, after partition was declared as an evacuee property and was allotted to 9 displaced families migrated from Lyallpur Distt. of West Pakistan. They are Sikh Jats by caste and are progressive cultivators. The size of the holdings is fairly large ranging between 20 to 80 acres. There are six Harijan families in the village. They are landless labourers and get employment on the farm of the society.

The principal crops grown are wheat, paddy, and cotton. There were as many as 17 irrigation wells but they were in unworkable condition when the land was allotted to the displaced persons. The allottees repaired some of these wells. When the land of individual members was pooled, about one-third of the total area was unirrigated.

The six members of the society residing in village Qila Darshan Singh also come from Lyallpur Distt. each having a holding of 31 acres. Some of the landless labourers of village Khatib and Qila Darshan Singh are also provided with work by the society.

*The words B. G. S. are significant as they denote the sub castes of the members B stands for Bajwa, G for Ghuman and S for Sandhu.

All the three villages Shahabpura, Khatib and Qila Darshan Singh are situated near the pucca road and are at a distance of 2, 1½ and 4 miles respectively from the market of Batala. The society, therefore, does not find any difficulty in transporting the produce to the market any time during the year.

III. Rights in Land

The land was originally allotted to individual members as displaced land holders on quasi-permanent basis by the Rehabilitation Department in the year 1950 and it was pooled together in 1951 when the society was formed. 497 acres held by the society are equal to the total individual allotments of 15 members only. The society took 28 acres of land on lease from non-members for co-operative cultivation and management for one year (*i.e.* 1954-55). and the lease has been renewed for another year 1955-56. The lease money for 18 acres is Rs. 50/- per acre and for the other piece of 10 acres it is Rs. 35/- per acre.

IV. Rights and Liabilities of Members

The society adopted the bye-laws of Co-operative Farming Societies approved by the Registrar and they suit the members of the society. The rights of the society members are as below:—

(1) They can vote in the general meeting of the society, elect their own committee members, the President, Secretary and Treasurer or they can become the office holders themselves and can participate in taking decisions concerning the society.

(2) They cannot be sued in their individual capacity and their shares cannot be attached in Civil Court.

(3) They form a corporate body which is granted certain concessions by the Government, such as exemption from income tax on the profit to a certain limit, Stamp Duty etc.

(4) They can have their disputes concerning the business of the society decided through arbitration.

Liabilities

(1) Each member is liable to make up the deficiency of losses suffered by the society to the extent of 10 times the share value which is Rs. 100/- per share.

(2) Members cannot withdraw their land held by the society before the lease period without its approval.

(3) The liability of the member would continue for two years even after the termination of membership.

The society retains the right to take all or a portion of land from members for cultivation. When such land has been taken the member has no right to withdraw the land or lease the same before the termination of the lease period of 5 years. In spite of the bye-laws however, the society has permitted some members to withdraw their land (about 180 acres) when they ceased to be the members.

There is no binding on the part of any member to put in a minimum amount of labour nor there is any mention in the bye-laws regarding it. Out of the 19 members, only three work at the farm. One is the Managing Director, second is the Supervisor and the third is the President of the society. Besides them, two members do tractor ploughing whenever there is rush of work *e.g.* at the time of sowing of Rabi and Kharif crops. They are paid annas five per hour for the use of tractor. Most of the farm operations are done by the non-members on payment of wages both in kind and cash.

No member retains any holding or part of the holding outside the farm and all the land held by the landowner members is pooled in the farm.

There is no restriction on the members to take loan from any other source though no member can take loan on the security of land which is held in the name of the society. To meet the requirements of the members, the society gives them advances free of interest against their share produce though there is no such provision in the bye-laws. It is felt that the bye-laws should be framed as to give right to members to get loan from the society in order to meet their ordinary requirements and save them from the clutches of the 'Sahukars'. Another advantage of it can be that the society will have the knowledge of the members' indebtedness.

Liability of each member is limited to 10 times the value of shares held.

IV. Organisation and Management

The entire land is managed as one farm for all the agricultural operations although the area of the farm is located in four different villages in four blocks at a distance varying from 2 to 8 miles from the village Shahabpura, the Headquarters of the society. Except in one block in which the land has been taken on lease, the area of each of the three blocks is equal to the total ownership of land of the members residing in that block. Of the four blocks, the biggest

comprises of 269 acres in Shahabpura and the smallest of 18 acres in village Dayalgarh. The other two blocks are of 185 and 42 acres respectively.

The Managing Director with the help of the Supervisor controls all the affairs of the farm personally. The tractors with allied implements and permanent farm labour are sent for agricultural operations to different blocks from Shahabpura under his directions.

This co-operative farm is fully mechanised and all the farm equipment such as tractors, implements, pumping sets and other agricultural machinery were purchased from the society's funds. No member of the society owns any equipment.

The managing committee is responsible for the general supervision and the management of the farm through its Managing Director who assigns the work to the Supervisor, Tractor Drivers and the permanent agriculture labourers. The Managing Director is also responsible to the Committee for the secretarial as well as the accounts work.

In the committee meeting the crop schemes, cultivation expenses, marketing of produce etc., are discussed and finalized in consultation with the Managing Director.

The produce of the farm is marketed by the President of the society who remains in close touch with marketing conditions. The Supervisor and the Managing Director are the paid members of the society and they perform non-farming operations. There are five lady members and three of them are non-residents. Three non-resident male members are in Government service. Thus all these eight members are sleeping partners and they do private business of dairying and flour mills.

Fourteen permanent agricultural labourers are mostly employed for the farm work. The non-members are not employed for any of the non-farming operations. The individual members are not allotted any part of the land for their exclusive or personal use. The Managing Director keeps in safe custody all the registers and papers in use of the society.

Supervision is exercised by the Managing Committee of five members including the President and the Vice-President elected by the general body of members. The Committee exercises all the powers of the society except those reserved for general meeting, subject to any regulation or restriction duly laid down by the society in a general meeting or in the bye-laws.

The entire agricultural operations are financed by the society. The sources of credit are Central Co-operative Bank Batala, members and non-members. The farm machinery with accessories worth Rs. 50,416/- was purchased from loan borrowed from the Bank in 1951 and with shares and deposit money of the members. The value of the farm machinery after taking the depreciation into account is Rs. 22,717/- as on 30th June, 1955.

The seeds are obtained by the society through Agriculture Department. The wheat seed was purchased in the first year of its working and now the society's seed is so pure that it is supplied to the Department for distribution among the individual cultivators in the area. Last year the society supplied one thousand maunds of wheat seed to the Agriculture Department.

The fertilizer is obtained on taccavi by the individual members and its cost is credited to the members' deposit account.

As regards manure, all the land holders keep milch cattle and their compost is carted by the society at the member's own fields and applied there only. The present permanent employees of the society also keep milch cattle and their manure is also taken by the society in lieu of the green fodder given to them on concessional rates. Besides this, pasturing of some outside animals is also allowed free of cost for the sake of manure.

The urban compost is purchased from Batala town and it is used in the fields at the discretion of the Managing Director. If the member owning the fields in which urban compost was applied, leaves the society, he has to pay Rs. 10/- per acre after raising one crop and Rs. 5/- after raising two crops from those fields. Green manuring of some fields has also been done by the society.

The storage capacity of the society is limited mainly because of the shortage of buildings in the villages. Therefore the society has to send all the produce to the market directly from the fields by means of trailors attached to the tractors. The President of the society is responsible for all the purchases and sales done on behalf of the society and remains in touch with the market conditions. Moreover, the society is also the member of 'The Batala Co-operative Commission Shop' through which all the produce except vegetables and wheat "bhusa" is sold. Vegetables are auctioned in the vegetable market Batala through the commission agent selected each year by the Managing Committee. *Bhusa* is sold in lots to the highest bidder.

V. Distribution of Income

The Managing Director and the Supervisor who are from amongst the members are paid monthly in cash. The permanent agricultural labourers are paid in kind 40 maunds wheat grain, 2 maunds maize, and 2 maunds paddy on yearly basis.

The society gives Rs. 2/- to every one of the permanent labourers for Baisakhi, Diwali and Lohri festivals every year.

The employees are made advances from time to time to meet their requirements at the rate of Rs. 12½% interest if the advance is made during the period from July to December. Before or after this period no interest is charged for the advances taken. The interest is levied just to discourage the permanent labourers from taking heavy advances. The advances are set off against their wages. The labourers are at liberty to pay back the advances in cash or get them adjusted against their kind wages at the prevailing market rates less -/4/- as transportation charges, etc.

The wages paid to the casual labourers engaged for various operations are according to the customary wages prevailing in the locality. Society generally employs the labour on piece-meal basis as below:—

(*i*) Transplantation of paddy . .	Rs. 10 per acre.
(*ii*) Hoeing of Cotton . . .	Rs. 8 per acre.
(*iii*) Cotton picking	1/16th of the picked produce.
(*iv*) Harvesting of wheat . . .	1/13th of the harvested crop or 1½ maunds grain per acre.
(*v*) Winnowing	5 per cent. of the winnowed grain.
(*vi*) Hoeing of vegetables . . .	Rs. 1½ per day.

The ownership dividend is declared every year by the majority decision of the society members. This is usually equal to the prevailing rent of the land but can be reduced according to the circumstances such as payment of outside loans or improvement of land etc. The members got the dividend for land ownership as below for the last four years:—

1951-52	Rs. 60 per acre.
1952-53	Rs. 60 per acre.
1953-54	Rs. 70 per acre.
1954-55	Rs. 20 per acre.

During 1954-55 the rate of share produce was intentionally reduced to Rs. 20/- per acre in order to pay the outside loans. Rs. 11,472/- including interest were returned to Central Co-operative Bank, Batala and Rs. 26,364/- were refunded to the member depositors and Rs. 14,552/- to non-members. The dividend could have been declared more than Rs. 80/- per acre, had these amounts not to be paid. So far no further payment in shape of bonus profits is made to the members over and above the ownership dividend. A portion of the income is re-invested for the improvement of the farm and repayment of the liabilities which when wiped off, will spare sufficient income to be distributed as bonus or share dividend. After a couple of years it is hoped, the liabilities will be paid off. Rs. 1,800 were spent for the reclamation of 60 acres of land. No funds have been set aside for meeting distress and calamities and for general development.

VII. State Assistance

During the past three years no financial assistance in the shape of subsidy or interest free loan has been given to the society by the Government. No reductions in revenue or rent, cesses, local rates, water rates, or agricultural income-tax, have been granted to the society. However, as mentioned later, very substantial loans have been given by the Cooperative Bank.

Technical assistance and advice are imparted to the society by the agricultural extension workers. The improved seeds were originally supplied by the Department but now the society has become self-sufficient for its seed requirements. Whenever the society wants to change the seeds or get new ones, it can easily get its requirements from the Agricultural Department. Guidance in co-operative methods is provided by the officers of the Co-operative Department. As a matter of fact the co-operative farming societies are given preference to individuals for obtaining cultivable land or cultivable waste land but this society has not felt the need so far to increase the size of its farm.

The individual members as owners of the land and not the society had paid the consolidation fee for the consolidation of their holdings.

VIII. Finance

The capital of the society as on 30th June, 1955 is detailed below:

	Rs.
(*a*) Shares contributed by the members	22,100
(*b*) Loan from the Central Cooperative Bank, Batala	31,840
(*c*) Members' Deposits	7,923
(*d*) Non-members' Deposits	1,152
Total	63,015

The total amount of assets is Rs. 41,893. All the implements and machinery are owned by the society. The machinery worth Rs. 50,416/- was purchased and now its present value is Rs. 22,717/-. No member has contributed any amount towards its cost. The statement of profit and loss for the year 1954-55 reveals total gross income of Rs. 79,317/- and expenditure of Rs. 78,624/- leaving thereby profit of Rs. 693/- at the end of the year's working.

IX. Development

When the land was pooled in the co-operative farm by the members, most of the area was lying uncultivated for a number of years. Many of the irrigation wells were without persian wheels and in unworkable condition. The efforts were made by the society to bring all the area under cultivation. 60 acres of culturable waste land was reclaimed and about Rs. 1,800/- were spent for this purpose. Eight irrigation wells were repaired and boring was done in them by the individual members themselves but the pumping sets were installed by the society. Four portable diesel oil pumping sets worth Rs. 90,000/- were purchased in the year 1951 and three of them were later on disposed of and replaced by electric motors. At present the society has 7 pumping sets run by electric motors and one diesel oil pumping set. Total cost of this machinery comes to about Rs. 16,000/-.

The society is making all efforts to raise the standard of cultivation and the average yield obtained from the crops is definitely more than what is obtained in the area under similar soil & climatic conditions.

This being a fully mechanized farm, the society is not keeping any livestock for cultivation purposes. Besides ploughing and sowing, even the pudding in the rice fields for transplantation of paddy and thrashing of wheat are done by means of tractors. The produce, manure and other material are transported by means of trailors driven by tractors.

The society has started piggery on a small scale. Although there is no local market for it, it fetched Rs. 455/- to the society during 1954-55. The society is keen to start a dairy farm but due to shortage of funds it has not yet been taken up.

The society markets its own produce only to the Batala Co-operative Commission Shop of which it is also the member.

It has not done anything in the way of public utilities or social activities such as construction of roads, wells, drainage etc., due to lack of funds.

X. Community Projects and N.E.S.

All the four blocks of the farm area are situated within the Community Project, Batala. The society has received technical assistance and advice and also assistance in obtaining fertilizer and improved seeds from the Project. Some of the members also got taccavi loans for pumping sets from this agency. The Managing Director himself is the member of the Project Advisory Committee.

XI. General

The society is composed primarily of substantial land-owners, who are related to one another. Their main objective in coming together and forming this society is to preserve their large holdings from any possible repercussions of the land reforms legislation, and to obtain substantial loans which they could not obtain so easily individually. The bulk of the members are non-working and those who work do so only in managerial or supervisory capacity. All the agricultural operations are carried out by non-members. The society is managing the mechanized farm successfully, and the standard of cultivation is fairly high. The layout of the farm is well planned and roads and irrigation channels run in between the farm area to facilitate the movements of the operators. The scientific rotations recommended by the Agriculture Department are followed and improved seeds of all the important crops are used by the society. Proper manufacturing of compost is done by the members themselves and the use of artificial manures is also made by the society.

The society has been financed by the Central Co-operative Bank, Batala to the extent of Rs. 50,000/-, and more funds required by it are met by the members in the form of shares and deposits. Rs. 50,416/- were invested for the purchase of tractors with allied implements, pumping sets and other farming equipments after the registration of the society.

The average yield of the important crops cultivated on a fairly large area of the farm given below for the year 1954-55, is higher than what is being obtained on the individual fārmers' lands in this tract under similar conditions. This goes to prove the better standard of cultivation adopted by the society.

Crop	Area sown	Yield per acre	Approximate yield per acre in the adjoining areas
	Acres	Maunds	Maunds
1. Wheat	250	18	15
2. Oil seeds	55	18	16
3. Paddy	30	40	30
4. Cotton	4	9	7

The Managing Director of the society is an enlightened and widely travelled Ex-Army Officer. He was much inspired with the successful experiments of co-operative farming done by the Jews in Palestine where he stayed for some time. In this enthusiasm, he managed to retire from the service a few years earlier and settled on the newly allotted evacuee land. 497 Acres of land was allotted to him and his relatives in the three villages covered by the society. One-third of the allotted area was unirrigated and the remaining area was irrigated by wells which were also not in working condition at the time. It was not a satisfactory arrangement as they had to depend on uncertain rains. He thought of a plan to turn the dry area into irrigated one and to control the vagaries of nature as far as possible.

To implement his scheme he needed finances which were wanting. The individual allottees being displaced persons could not obtain credit from the local people. They were left with no alternative but to seek the shelter of co-operative institution and consequently this society was formed. The first and foremost principal of co-operation, self-help and mutual help was resorted to and the members collected Rs. 22,100/- as share money. The face value of each share is Rs. 100/-. The share money could not give them the required financial help and hence the members had to put in their deposits also. In order to increase the share money the society allowed the landless persons to become its members also. The share money coupled with deposits formed Rs. 47,143/- as their own funds. For the purchase of machinery and to make other improvements, the society had to borrow Rs. 50,000/- in various lots according to its requirements from the Central Co-operative Bank, Batala. All these efforts of the members have however borne fruit. The society has repaid Rs. 10,243/- to the Co-operative Central Bank, Batala and refunded Rs. 26,364/- to the members and Rs. 14,552/- to non-members in their deposit accounts during 1954-55 as is clear from the 'Receipt and Disbursement Statement'. The surplus amount with the Bank has increased from Rs. 740/- to Rs. 8,122/-. This is quite an encouraging success in view of the investments made in the machinery and land. Besides this, the society has been distributing the share produce according to the prevailing rate.

Another special feature of the society is that with its scanty resources, diesel oil and pumping sets were installed to bring all the area under irrigation, but members not satisfied with this arrangement which was costly and slow pressed the Electricity Department to give connection to them which they got earlier than many others in the area. The diesel oil pumps were replaced

by the pumping sets run by the electric motors. The expenses have been much reduced and the yield per acre has favourably increased. The rise in wheat yield has been from 12 mds. in 1952 to 18 mds. in 1955 per acre.

Now all the land is irrigated and the farm is a fully mechanized one. Obviously the success of the society is due to the zeal of the President. He commands a great influence and respect in the society as also in the area. The members are satisfied with the working of the society because there are so many difficulties in leasing the land to tenants for cultivation. The difficulties of not receiving the rent in time, deterioration in the fertility of land in the hands of tenants, litigation etc., have been overcome by the formation of the society. There is one lady member having 4 acres of land only and she likes to continue as the member of the society because she can get reasonable ownership dividend without any inconvenience. The members feel that they are getting produce share at least equal to the market rental value and that too in time without any Civil or Criminal litigation. They also believe that they can secure much more help and assistance from the Government in developing their farm through the society than as individual farmers. The members wish to continue the society and increase its scope of operations by starting some allied industries and expanding the existing piggery. The society desires financial aid from the State Government for purchase of a heavy tractor costing Rs. 20,000/- for dry ploughing which cannot be done with light tractors and also in assisting the ploughing operations already done by the three light tractors.

The organisational and managerial capacity of the Managing Director, has also an important share in conducting the farm work satisfactorily. He is able to reconcile the minor differences which develop amongst some members from time to time. However, the fact that most of the members are his near relatives cannot be neglected while assessing the progress of work. Perhaps availability of loans, subsidies and other facilities from the Government for a family could be a major consideration in the formation of this society.

STATEMENT I

Receipt and Disbursement Statement of the B. G. S. Cooperative Farm Shahab Pura

(In rupees.)

Receipts	1953-54	1954-55
	Rs.	Rs.
1. Share receipts	1,000	3,000
Receipts by loans and deposits from—		
(*i*) Non-member & members in an individual capacity. (Members)	17,457	11,420
(Non-members)	14,331	14,538
(*ii*) Central Banks	16,170	..
(*iii*) Societies	..	..
(*iv*) Government	..	..
Loans and deposits received from—		
(*i*) Individual members	..	..
(*ii*) Central Bank	10,359	62,077
(*iii*) Societies	16,317	..
Income realised—		
(*i*) Interest received	542	126
(*ii*) Sale of goods to members	21,543	35,368
(*iii*) Other items	1,95,899	1,09,905
(*iv*) Total Income of year (*i*), (*ii*) & (*iii*) above	2,17,984	1,45,399
Opening Balance	52	793
Grand total including the opening balance	2,93,670	2,37,227
Disbursements—		
Share capital withdrawn	..	3,000
Loans and deposits repaid to—		
(*i*) Non-members and members in an individual capacity.		
(Members)	20,037	26,364
(Non-members)	13,701	14,552
(*ii*) Central Banks	9,855	10,243
(*iii*) Societies	..	..
(*iv*) Government	..	..

(In rupees.)

Receipt	1953-54	1954-55
	Rs.	Rs.
Loans to—		
(i) Individual members	..	..
(ii) Central Banks	10,811	69,459
(iii) Societies	16,360	..
Expenses—		
(i) Interest paid on loans and deposits	6,574	2,979
(ii) Dividend and bonus paid	..	..
(iii) Stock bought	18,273	2,541
(iv) Establishment and Contingencies	18,034	15,575
(v) Other Items	1,79,232	92,369
Total of the above five items	2,22,113	1,13,491
Closing Balance	793	118
Grand Total disbursements including closing balance	2,93,670	2,37,227

STATEMENT II: *Profit and Loss Account*

(In rupees.)

Year	Profit brought forward from 1st year	Profit						
		Interest accrued	By sale of goods to members	By purchase and sale of members' products	Other items	Total	Interest due	Cost of management paid & due
1	2	3	4	5	6	7	8	9
1953-54 . .	..	542	..	..	1,03,337	1,03,879	6,574	18,034
1954-55 . .	..	126	..	77,443	1,748	79,817	2,879	15,575

Receipt

(In rupees.)

Loss				Net profit or loss (column 22 of Balance Sheet)	Amount of column 7 actually received	Amount of column 18 actually disbursed	Remarks
Provision for bad and doubtful debts	Depreciation of stock and buildings	Other items	Total				
10	11	12	13	14	15	16	17
..	5,095	86,320	1,16,023	—12,144	..	..	
..	22,718	37,353	78,624	+693	..	.	

STATEMENT III: *Balance Sheet*

(In rupees.)

Year	Assets								Deposits of members and Non-members	Loans and deposits from Central Bank	Loans and deposits from So-cieties
	Cash in hand and Bank	Market value of invest-ments	Loans due by members and indivi-duals	Loans due by Bank and So-cieties	Interest accrued to the Bank	Present value of stock in hand	Other items	Total			
	1	2	3	4	5	6	7	8	9	10	11
1953-54	793	150	..	740	..	61,811	2,907	65,401	M. 22,867 N. M 1,1,66	42,083	..
1954-55	118	150	..	8,122	..	28,984	4,519	41,893	7,923 1,152	31,840	..

1. Machinery	22,717
2. Misc. stock	2,537
3. Livestock. (Piggery) . . .	650
4. Wheat Bhusa	3,080
TOTAL .	28,984

(In rupees.)

Liabilities											
Loans from Govern ment	Share capital paid up	Interest due by the Bank	Cost of manage ment	Other items	Reserve fund under 33 of Act II of 1912	Other funds e.g., Building funds etc.	Other undis-tributed profit carried forward	Total	Profit and loss— (14 profit and Loss statement)	Last year's loss	Remarks
12	13	14	15	16	17	18	19	20	21	22	23
..	..	22,100	..	..	..	..	..	..	88,216	21,815	9,611
.	..	22,100	..	..	..	.	..	..	63,015	21,815	21,815

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STATE: PUNJAB

SOCIETY:—THE UNDATA FAZALPUR CO-OPERATIVE FARMING SOCIETY

I. Introductory

Year of establishment . .	February, 1950.
Location . . .	The society is situated on Kapurthala—Kartarpur Road, 4 miles from Kapurthala and 14 miles from Jullundur, the District headquarters.
Audit classification . . .	'C' (Maximum credit limit being Rs. 25,000/-/-.).
Membership	The membership of the society since its inception has been 14.
Land held	155·4 standard acres of land (of which 115 acres are irrigated) is held by the society on quasi-permanent basis. The ownership is vested in the members individually. Only right to cultivate the land for 20 years was transferred to the society.
	The land is not comprised in one block as it is interspersed by some of the plots of two non-members. Besides this, there is one piece of 5 acres in another village about 2 miles from Headquarters village of the society.

II. General and Economic conditions of the village.

The total area of the village Fazalpur is 222 standard acres, out of which an area of 155·4 standard acres belonged to Muslims. After partition it was declared as an evacuee property and was allotted to 7 Hindu displaced persons in lieu of the land left by them in West Pakistan. They are Khatri by caste and all of them stay outside the operational area. Area under Kharif crops is about 50% of the total sown area. The main crops are cotton, sugar-cane, ground-nut, wheat, gram and berseem fodder.

Since the inception of the society it has constructed 15 small residential quarters for agricultural labourers. It has also repaired 5 wells, and installed pumping sets and tube wells on three of them.

Out of the 15 families living there, 10 are Harijans and they get employment on the farm. About 15 acres of land leased out by the society to these Harijan families in the village was taken back by the society for cultivation in the year 1954.

The nearest market for the disposal of the farm produce (other than sugarcane) is Kartarpur, about 4 miles from the village.

All the land owner-members of the society are very influential and they could easily get the land of better quality allotted in their names. But their main consideration was to get consolidated piece in one village situated on pucca road, irrespective of the type of soil. The society has reclaimed the soil and improved it by repeated green manuring of the fields.

III. Rights in land

The land was allotted to individual members on quasi-permanent basis by the Rehabilitation Department in the year 1950 and it was pooled together in the same year by forming a co-operative society. The society has not taken any land from Government, nor from a person who is not its member. All the area held by the society, for cultivation is equal to the total allotment of the seven land owning members.

IV. Rights & Liabilities of the members

The society adopted the bye-laws of the co-operative farming societies after the approval of the Registrar. The lease will continue to be in force and be operative in all respects even if a member withdraws from the society before the expiry of the period of 20 years. Hence the members have no right to withdraw, transfer or lease out even a portion of land held by the society before the expiry of the lease period of 20 years commencing from 1950.

There is no provision made in the bye-laws of the society regarding the minimum amount of labour required to be put in the farm by any of the members. There is only one member who is whole time worker for supervision work and resides in the village. Another member is a part time worker for managerial and advisory work.

There are two members of the society, the father and cousin of the land owner members who retain holdings outside the society's farm. One member has got 25 acres of land and the other 5 acres in Jullundur District, outside the operational area at a distance of 20 miles from the society's Headquarters. There is no restriction on any member to take loan from other sources. As a matter of fact, the society itself does not advance any loan to the members nor has taken any responsibility for providing the loans required by the various members. Liability of each member is limited to five times of the share value.

V. Organisation and Management

Only non-members are employed for farm operations on payment. All the agricultural operations are performed with paid labour. All the farm equipment such as tractors, implements, tube-wells, livestock etc. is owned by the society. The implements are stocked in the godown of the society and bullocks are kept and maintained by the society in its own cattle shed. Members in general meeting elect a Managing Committee of 5 members including President and Vice-President and this committee has appointed one member as Hony. Manager for the overall control to organise and supervise the work of the farm with the help of the Supervisor, the only paid member of the society. The Supervisor can use his discretion in respect of subsidiary agricultural operations like weeding, hoeing etc. The Manager directs the tractor driver and the permanent labour in consultation with the supervisor to conduct the main agricultural operations. The Manager is living at Kapurthala, which is three miles away from the farm but he visits it almost daily and gives oral instructions to the Supervisor and farm labour. He also works as a liaison between the society and the Co-operative Department. There are no labour brigades organised for performance of particular tasks except at the time of harvesting of the crops. Maintenance of accounts is done by a non-member employed part time @ Rs. 25/-/- per month. He is also an employee of the Kapurthala Northern Indian Tanneries Ltd., which is managed by two members of the society. He attends the farm once a week to record the entries in the registers. Except one member, all the other members are non-residents, and the male members are either in business or in service. One of them is a member of the Lok Sabha.

No part of the land is allotted to any individual member for his exclusive or personal use. There is an Executive Committee with a President but the members of this committee do not take much interest in its working and everything is left to a member who is the Treasurer of the society. He supervises and manages the work of the farm with the assistance of the Supervisor.

The paid staff of the society is as below:—

(i) Supervisor for supervision of the farm	@ Rs. 75/-/- p.m
(ii) Tractor-driver for tractorisation	@ Rs. 100/-/- p.m.
(iii) 11 permanent agricultural labourers	@ Rs. 45/-/- p.m.

The Hony. Manager assisted by the Supervisor draws the cropping and development schemes for the farm.

The Jullundur Central Co-operative Bank Ltd., finances the society partially. The source of supply of seeds, is the registered agencies of Agriculture Department. The society also uses the seeds of the farm produce. The farm equipment was purchased for about Rs. 34,000/-/- by the society with members' deposits etc. Residential quarters, bullock sheds etc. worth about Rs. 9,600/-/- were also constructed with the society's fund. Chemical manures are supplied by the co-operative societies on loan. The other organic manure is obtained from the cattle which the society is maintaining at the farm. The society has also given one residential quarter free of rent to a man who pastures the cattle on its fields. They are also persuading the permanent labourers to keep milch cattle for the sake of manure in lieu of which the society will give them fodder free of cost. Marketing of produce is done in Kartarpur market about four miles from Hqrs. of the society. There is some storage arrangement at the farm as the society has to store the produce occasionally in order to fetch better price.

VI. Distribution of income

Besides the permanent labourers, casual labour is also employed and the labourers are paid at the locally prevailing wage rates in cash and kind as follows:—

(i) For harvesting of wheat crop, one bundle for 16 bundles of harvested crop is given. One bundle contains 12 seers of grain and 15 seers of *bhoosa*

(ii) For hoeing of cotton @ 1/8/- per day.

No ownership dividend is declared by the society for distribution amongst the members and whatever income comes from the crops is reinvested for the improvement of the farm. According to the bye-laws 25% of the profit should be set aside as the reserve fund and another 25% for general improvement fund. But no portion of the income is set aside to meet the distress and calamities. Similarly no special fund is constituted for general development purposes such as Health, Education etc. However about Rs. 10,000/-/- each have been spent for the improvement on land and construction of building.

VII. State assistance

Except the technical assistance and advice given by the Agriculture Department with regard to the improved methods of cultivation no assistance has been provided by the State. The demonstration plots are also laid by the Department on the farm to establish the superiority of improved seeds, manure etc. over the local ones.

The society has never tried to obtain cultivable land or waste land in order to increase the size of the farm and all efforts are being concentrated towards the improvement of the existing area.

VIII. Finance

The working capital of the society as on 30th June 1955 is detailed below:—

		Rs.
1.	Loan obtained from Central Cooperative Bank, Jullundur.	11,977
2.	Shares contributed by the members	33,150
3.	Deposit of members	26,717
4.	Deposit of non-members	53
5.	Management due	60
	Total	72,9780

There is no amount of subsidy or loan given by the Government or loan on mortgage of land etc. which can be included in the capital of the society. The latest balance sheet and statements of Profit and Loss and Receipts and Disbursements of the society available for the year 1954-55 are appended. On the assets side the society had a cash balance to the tune of about Rs. 7,500/-/. The society has spent about Rs. 11,000/-/- on tractor with allied implements and one trailer, another Rs. 15,000/-/- on tube-wells and pumping set. It has spent Rs. 7,800/-/- on thrashing machine, seed drill, cart, persian wheels and other accessories. The new buildings constructed by the society cost Rs. 9,567/-/-. The value of the machinery, livestock etc. as on 30th June 1955 came to about Rs. 22,000/-/- and that of the entire stock including machinery to about Rs. 34,000/-/-. The occasional repairs of the tractor and replacement of parts are reported to have caused considerable expenditure. An expenditure of Rs. 3,000/-/- is incurred for the purchase of diesel oil use for the water lifting machines every year. The society has paid back loan of Rs. 8,713/-/- from the Co-operative Central Bank and invested Rs. 3,825/-/- for the purchase of fresh stock and Rs. 4,800/-/- for the management of the farm as is clear from the statement of Receipts and Disbursements for the year 1954-55.

IX. Development

The society maintains one tractor, two tube-wells, one pumping set, 5 irrigation wells, one seed drill, one thrashing & winnowing machine and 3 pairs of good bullocks. The society has undertaken the following land improvement schemes:—

1. *Reclamation*.—The evacuee land of the farm was lying without cultivation from 1947 before its allotment

to the individual members of the society in the year 1950 and was covered with wild grass and small bushes. No crop could be raised in the first year of the inception of the society. About 130 acres of land were reclaimed and brought under cultivation.

2. *Lay out of the farm.*—The society has also done a good deal in the lay out of the farm. There were many un-levelled fields which were levelled afterwards. The new channels were constructed for irrigation purposes. Bunding was done in many acres. Although the exact amount spent for the above two improvements is not known the rough estimate is about Rs. 10,000/-/-.

3. *Irrigation.*—As soon as the land was brought under plough, attempts to provide irrigation facilities were also made by the society. At present the society has two tube-wells, one pumping set and 5 surface wells fitted with persian wheels. Irrigation channels have been constructed in an area of 115 acres. The irrigation equipment cost the society Rs. 16,849/-/-.

4. *Green manuring.*—The land allotted to the members has been greatly improved by green manuring. Since 1951 twenty acres of land is green manured every year and by this time some of the area of the farm has been green manured twice.

5. *Construction of buildings.*—Rs. 9,567/-/- have been spent on the construction of residential quarters for the permanent agricultural labourers and one godown for storage of grain, etc.

The farm is almost completely mechanised. Ploughing is done by the tractor. Thrashing and winnowing operations of wheat crop are performed mechanically. Wheat is sown by seed drill. Irrigation water is lifted by the tube-wells and pumping set. Produce and manure are mostly transported by means of trailer driven by the tractor. There are only 3 pairs of bullocks which are used for drawing persian wheels, sowing some of the Kharif crops and other miscellaneous work.

The society has not set up any processing or subsidiary industry. It does not undertake co-operative marketing though the produce is sold in lot at Kapurthala market. The society considers it more profitable to sell the Sugar-cane crop direct to the sugar mill than manufacturing gur out of it, in spite of the difficulty in such disposal on account of the priority given to cultivators of PEPSU.

The society has not undertaken any public or social activity during the period of 5 years. Its whole struggle is to make it a profitable concern and to stand out as successful experiment for joint management of land on co-operative lines.

X. General

The society was organised on the initiative of a veteran Congress worker. Of the 14 members, 7 belong to his family. It is said that this family (which is dominating the society) has been settled in Jullundur for a very long time even before the partition. Moreover the family is considerably well off. The society was started originally with a view to have the joint management to save expenditure of individuals, to make bigger unit for mechanised cultivation and to save their lands from the provisions of the Punjab Tenancy Act.

In recent years the budget of the society has shown a net loss on its financial side. This loss is attributable to the heavy initial expenses on the breaking of land by tractors and providing irrigation facilities. The society has improved 130 acres of land and installed 2 tube-wells, one pumping set and 5 persian wheels. Apart from this, it had to purchase draught cattle worth over Rs. 2,400/-/- and construct buildings costing about Rs. 9,600/-/-.

The society has adopted improved practices such as green manuring, use of better seeds etc. This has resulted in an improvement in the condition of crops. Yield per acre on the farm can be favourably compared with that obtaining under similar conditions on individual farmer's lands. The area selected to be sown with different crops are systematically chosen keeping in view the type and fertility of soil.

The members are very happy about the way in which the society is functioning. The objects of the society are fully understood by all its members. They have equal shares of land and hence there is no question of having large and small share holder. Their expectations of profit from the farm have not yet been fulfilled but they expect a good return after a couple of years. They wish to continue the society and develop the area to its fullest extent for getting maximum yield per acre. The Honorary Manager commands respect and confidence from the other members. He is the Treasurer and Supervisor and the other paid staff are working under his direct control. He also studies agricultural literature to enlighten himself with the latest improved methods of cultivation. The members desire that the consolidation of holdings should be taken up immediately by the Government so as to have one consolidated unit of the farm for tractor cultivation. The condition of

giving priority to Pepsu cultivators for the sale of sugar cane in Hamira Sugar Mill is also considered undesirable by the members and they think that preference should be given to the society for the disposal of its sugarcane crop over the individual cultivators.

In general, though the society is a success, the fact that it is more or less a family concern prevents one from considering it as a genuine experiment in the co-operative farming as such.

Statement of Receipts and Disbursements

1954-55

RECEIPTS	Rs.	DISBURSEMENTS	Rs.
Deposits of members	7,170	Deposit of members	500
Loan from Central Bank	7,200	Loan to C. Bank	8,713
Withdrawn from Bank of Patiala	594	Deposit in Bank of Patiala	690
Stock sold	853	Interest paid	718
Other receipts	30,034	Stock purchased	3,825
Opening balance	1,385	Management	4,800
		Miscellaneous Expenditures	26,120
		Cash in hand	1,870
Total	47,236		47,236

Balance Sheet of 1954-55

Cash in hand	2,129	Deposit of members	26,717
Investments	75	Deposits of non-members	537
Deposit in Patiala Bank	5,274	C. Bank Loan	11,977
Stock in hand including machinery etc.	33,670	Shares of members	33,150
Other items	1,942	Management dues	600
Loss	29,888		
Total	72,978		72,978
		Loss	29,888
		Loss of the last year	19,845

Statement of Profit and loss 1954-55

	Rs.		Rs.
Interest earned	..	Interest paid	718
Other Items	25,535	Management	4,880
		Depreciation	4,059
		Other items	22,061
Total	25,535	Total	31,638
		Loss	6,103

13

STATE: UTTAR PRADESH

SOCIETY:—COOPERATIVE FARMING SOCIETY, JANURA.

I. Introductory

Year of establishment . . .	April 1953.
Location	Village Janura, Tehsil Moth, Distt. Jhansi.
Audit classification]	'C'.
Present number of members . .	20
Land held	241·75 acres of land are transferred to the society by members who own it. Of these 180·37 acres are under Sirdasi rights and 61·38 acres under Bhumidari rights. The farm is in two blocks one of 225 and another of 16 acres.

II. General and Economic conditions of the Village

The total area of the village is 1,690 acres of which 1,293 acres comprise cultivated area. The population of the village is 619. Most of the people follow cultivation as their occupation. Wheat, gram and jowar are the principal crops grown in the village. There are three main communities in the village—Chamars, Ahirs and Sahariyas. Chamars and Ahirs are largely cultivators, while Sahariyas are landless agricultural labourers. The average cultivation holding is 8 acres in case of Chamar families, while it is 20 acres in the case of Ahir families. The average cultivation holding for the village as a whole is about 12·5 acres.

The village is both progressive and prosperous. The cultivators have taken to the use of improved seeds and fertilizers to a considerable extent. Bunding, afforestation and green manuring are some of the other improved practices in vogue in the village. Besides these, the people have constructed a foot bath for the use of cattle of the village and a paddock for pedigree bulls. They had also taken up the construction of a 4 mile link road to the tehsil and marketing town Moth. Three miles of the road with 2 culverts had already been constructed when the rains intervened. The remaining 1 mile was proposed to be completed during the ensuing winter. It was also proposed to make the road metalled during the next summer.

One more cooperative farming society was in the process of formation in the village. Actually papers had been moved for its registration in July, 1955 and it was hoped that it would commence farming operations from the ensuing rabi season. Literacy among the higher caste Hindu families is fairly high and a number of their boys are receiving education in high schools and colleges. Lower caste people are also taking to education in increasing numbers. There are some pucca houses owned by big cultivators. Most of the village wells are pucca and well-built.

III. Rights in Land

The land was originally held by individual members as tenants. Those members who at the time of Zamindari Abolition paid to the Government 10 times the amount of their annual rent acquired Bhumidari rights, *i.e.*, full proprietory rights. The other tenants were granted Sirdari rights, *i.e.*, right of cultivation only in the land held by them. The society was formed in April, 1953, *i.e.*, after the Zamindari Abolition. The position then was that 9 members with 61·38 acres of land were Bhumidars and 12 with 180·37 acres were Sirdars. They together pooled the land and formed the society. The land continues to be held by individual members. Only possession and right of cultivation thereof have been transferred to the society so long as it exists.

IV. Rights and Liabilities of Members

The members are entitled to profit on shares held, interest on deposits made, ownership dividend for land pooled and wages for labour rendered. While profits and ownership dividend are subject to income position of the society, the interest and the wages accrue independent of it. The members have no right to withdraw or lease the land until the society exists. Under the U.P. Zamindari Abolition and Land Reforms Act, the right of lease of land is not permitted. However, those members who hold Bhumidari rights over the land pooled can otherwise transfer their land with the concurrence of the society and the person to whom transfer is effected will thus automatically become member of the society. No area has been withdrawn from the farm since its inception.

There is no provision in the bye-laws requiring members to put in a minimum amount of labour. However, 4 members work at the farm in agricultural operations and 3 members do supervisory and accounting work. 13 members do not work on the farm at all.

16 members (and also the one now dead) hold land outside the farm also, varying from 10 to 20 acres each. Such holdings are both in the village which is the area of operation of the society and outside. 80 acres approximately are held by the members outside the farm but within the area of operation of the society.

There is no mention in the bye-laws whether or not the members had the right to take loans from sources other than the society itself. In actual practice, they have not so far borrowed from other sources except taking loans from the Government for productive investment. The liability of the members is limited to ten times the value of the share or shares held by each member.

V. Organisation and Management

Actual management of the society is entrusted with a Managing Committee of five members, *i.e.*, President, Secretary, Treasurer and 2 Members, all elected by the general body at the annual general meeting. The President is the chief agent of the Managing Committee on whose behalf he assigns day to day work on the farm and undertakes general supervision of all farm operations. The Secretary does all correspondence and accounting work. Besides these, he also assists the President in the supervision and management of the farm. The Treasurer is responsible for all cash receipts and issues. Besides this, he acts also as a Store-keeper for farm produce and equipment. The other two members of the Managing Committee also undertake supervision of the farm but this is generally of a casual nature. The main functionaries are three—the President, the Secretary and the Treasurer.

The entire land is managed as one farm for all agricultural operations and the members offering for employment are employed on wages and work is allotted to them. The society maintains all the farm equipment including bullocks and machinery. The work is assigned by the Managing Committee through the President. Those offering for agricultural operations are employed on daily wage rate basis. Supervisory work is done honorarily by the President and also by the Secretary at times. The Secretary also works honorarily. Four members participate in farming operations and receive wages from the society. Three members participate in non-farming operations such as supervision, correspondence, accounting etc. and work honorarily. Thirteen members do not participate in any kind of operations because 2 of them are shopkeepers, 3 college students residing outside the village, one in service, one is fairly old and 6 are minors and also not used to doing farm operations themselves. It may also be mentioned in connection with the members of this society that as many as 16 of the present 20 members are

closely related to each other. They belong to the Ahir caste and are so closely related that they stand in relationship of either father and son, or brother and brother, or uncle and nephew. Of the other 4 members again one is an Ahir but is not related with others. The remaining 3 were landless agricultural labourers belonging to the scheduled Sahariya caste. At the time of formation of the society a gift of about 1·5 acres of land was made to each of these three by some of the more prosperous and enterprising persons joining the society. This land was then pooled in the farm of the society and these three were enrolled as members of the society. The advantage to the society by enrolling these as members was that it not only assured regular supply of labour of these three families, but that these members could canvass and organize a regular supply of labour for farm operations from amongst the agricultural labour class in the village.

Non-members are employed as casual labourers only on wage rate basis. No non-member is employed for managerial or accounting duties. No land is allotted to any individual member for his exclusive or personal use. The supervision of the farm is exercised by the Managing Committee, but the president is the main person doing this work. The President is very enthusiastic and energetic worker. All the members have great faith in his capability and integrity. Besides him, the Secretary is an equally enthusiastic worker. The members hold him also in great esteem. There is no manager of the society. The President and the Secretary undertake managerial duties among themselves. A cropping plan is drawn up every year by the Secretary in consultation with the President and other members of the managing committee and with the help of the Cooperative Supervisor of the Circle. The plan is generally drawn up in the month of May and put up before the general body meeting for approval. After the general body's approval, it reverts to the managing committee which undertakes its execution.

Credit is available to the society from two sources generally. Short-term credit from the Central Cooperative Bank and both short-term and long-term credit from the Community Project, Moth in whose jurisdiction the village lies. The society has so far taken no loan from the Bank. It has, however, taken taccavi loans from the Project. Farm equipment is owned by the society and whenever new or more equipment is required, the members are asked to raise funds and the equipment is thus purchased. However, if the society is not able to raise funds, it can borrow from the Central Cooperative Bank or take taccavi loans from the Project and purchase the

equipment. Seed requirements are met from own supply and are also obtained on savai from the Government Seed Store, Moth. Farmyard manure is used entirely from self-supply. Fertilizers have not been used so far but they are available from the Government Seed Store and the Cooperative Block Union, Moth. The Union is a central cooperative organisation for marketing and supplies. Marketing of the farm produce is done jointly by the society, generally at the nearest market centre at Moth on competitive rates. The society has its own bullock-carts which are used for transporting the produce to the market centre.

VI. Distribution of Income

Besides 4 members of the society who work on the farm, hired labourers are employed. Both are paid wages on wage rate basis. The wages are paid in cash and the payment is made fortnightly. The wages paid for a day's work are equivalent to the prevailing wage rate in the village and in other neighbouring villages. The rate for men is Re. 1/- per day and for women As. -/12/- per day. Usually a working day is of eight hours. The wages paid are on daily wage rate basis. They are neither increased nor decreased according to the quality of work performed. However, a watch is kept over the work of the labourers and they are generally not allowed to slacken or lower the quality of the work performed by them. No payment is made for supervisory or accounting work. These duties are performed honorarily as explained above. However, other special type of work, *e.g.*, construction of a well or bund, is paid for at the prevailing wage rate for this type of work in the area.

Since the inception of the society in 1953, no ownership dividend for the land pooled has been given to any member. This was because the profits earned by the society were small and priority was assigned to their distribution as profits on shares rather than as ownership dividend. Hence no ownership dividend was paid. However, it is proposed that as the income of the society increases, a certain proportion of it should be given to the members as ownership dividend. Profit is distributed among the members on *pro-rata* basis on the share capital subscribed by each. This item constitutes the major portion of the net profits earned by the society in a year. No bonus has so far been paid to any member for any work. Besides the wages and the share dividend being paid to the members as explained above, the members are also entitled to receive interest on the deposits made by them with the society. These deposits are in the nature of loans, but the income of the society being small during the last two years, no interest has been paid to any member.

So far the distribution of income of the society was done in the following manner. The entire produce belonged to the society. It was sold at the market centre and the sale proceeds constituted the income of the society. After deducting the expenditure on farm operations including labour charges from this, net income or net profit was arrived at, 25 per cent. of the net profit was allotted to a Reserve Fund and the rest distributed among members as share dividend on the share capital subscribed by each.

The Reserve Fund can be utilized with prior permission of the Registrar for productive investment and development and for meeting distress and calamities but it is required to be reimbursed out of the future profits of the society. Actually part of the Reserve Fund has already been invested by the society in schemes of development of the farm. For general development such as health. education etc., there is provision in the bye-laws for creation of a fund for these purposes but since the profits of the society have been small, no such fund has so far been created. Except the Reserve Fund, there are no other funds yet.

VII. State Assistance

The society has received the following assistance from the State:—

Subsidies—

(1) Rs. 300/- from the Cooperative Department of the State. This was given for farm development and utilized for construction of small bunds.

(2) Rs. 1,200/- from the Community Project, Moth for construction of small bunds. It was one-third of the cost incurred on the works.

(3) Rs. 1,000/- from the Community Project. Moth for construction and repair of wells. This was also one-third of the cost actually incurred on the works. This was received after 30-6-1955.

Loans—

Rs. 5,500/- in all have been taken as loan from the Community Project, Moth. The sum consisted of four advances as mentioned below:—

Rs. 2,400/- for the purchase of pumping set.
Rs. 600/- for the purchase of a persian wheel.
Rs. 1,000/- for the repairs of the tractor owned by the society.
Rs. 1,500/- for the purchase of the tractor plough.

These are medium-term taccavi loans. The rate of interest is 5½ per cent. per annum. The period of recovery is 5 years. Curiously enough, the loans have been given to and stand in the name of certain individual members and not to and in the name of the society. It was learnt that since the individuals were the statutory owners of land and other immovable property, the loans could not be advanced to the society as such. For the reason that the loans stand in the name of individual members, these have not been shown in the balance sheets of the society also. However, the loans are being utilized wholly for the benefit of the society and are to be refunded from its income. No reduction in land revenue, water or other local rates or agricultural income-tax has been allowed to the society, although there is provision in the U.P. Zamindari Abolition and Land Reforms Act for reduction in these charges in the case of cooperative farming societies.

Technical advice and assistance have been given to the society by the staff of the Community Project, Moth from time to time in respect of the development of the farm and the production of the crops. Technical advice has also been given by the staff of the Cooperative Department, particularly in respect of proper maintenance of accounts and efficient management of the farm. Facilities for obtaining improved seeds, fertilizers, implements, cement etc. have been available from the Government Seed Store and the Cooperative Block Union, Moth. These stores maintain adequate quantity of stocks. It is also seen by the Project and the Cooperative Department that enough stock is maintained by the Stores.

Although no wholetime Supervisor or Manager has been provided by the State for the management of the society, guidance in the day to day management of the farm is given by the Cooperative Supervisor of the circle. Moreover, most of the members are literate and do not need much guidance and supervision from an outsider.

The society has not so far approached any official agency for acquiring any cultivable or waste land in order to increase the size of the farm. Therefore, the question of any priority in this respect does not arise. The land of the society lies in two compact blocks as explained earlier. The holdings in the 2 blocks were already largely contiguous before the farm was established. However, there were 3 plots of land in the larger of the 2 blocks which belonged to non-members and formed enclaves in the farm area. These were exchanged with equal area of members' land outside the farm and thus the larger block was consolidated. Efforts are also being made for the consolidation of the 2 blocks of the farm by taking over the intervening land of about 25 acres by mutual settlement. This has, however, not been accomplished yet.

VIII. Finance

The capital of the society consisted of cash share and deposits of the members, subsidies and loans from the Government and the reserve fund of the society. Its value was Rs. 25,739/- as on 30-6-1955. The break-up is as follows:—

(*a*) Contributed by members :—

	Rs.
Share Capital	10,105
Deposits	8,400
(*b*) Subsidies from Government	1,500
(*c*) Loans from Government	5,500
(*d*) Reserve Fund	234

It may also be explained here that the subsidies and loans received from the Government have not been accounted for in the balance sheet of the society for 30-6-1955. It was learnt that the loans stood in the names of individual members and were, therefore, not accounted for and that the subsidies were non-repayable and were, therefore, omitted from the balance sheet. Moreover, the society had invested quite substantial amounts in development works like construction of bunds, wells, reclamation of waste land etc. The amounts spent on such works were charged partly to current expenditure and partly to investment out of the reserve fund. No clear-cut account of these was available with the society. In view of the aforesaid, it is inferred that the balance sheet of the society did not present a very clear or whole picture of the assets and liabilities position of the society.

The value of the livestock, implements and machinery owned by the society was as on 30-6-1955 as follows:—

	Rs.	A.	P.
Livestock	3,021	0	0
Implements & Machinery	13,313	10	0
Total	16,334	10	0

The livestock was contributed by the members and the implements and machinery were purchased by the society.

IX. Development

The society undertook the following schemes of land improvement:—

	Rs.
(*a*) Construction of bunds	3,600
(*b*) Construction of one well and repair of another	3,000
(*c*) Reclamation of 20 acres of waste land	500

Besides these, the society had purchased a persian wheel but it had not yet been installed. The society had taken a loan of Rs. 2,400/- for the purchase of a pumping set also and was negotiating for its purchase.

The society owns a tractor for ploughing and harrowing operations. Other operations are done non-mechanically. The society has not set up any processing or subsidiary industry. Marketing of the farm produce is done by the society as a body. The produce is transported to the market centre at Moth, which is about four miles from the farm, in the society's own bullock carts and sold there at prevailing market rates on ready cash. The society has contributed liberally to the construction of a 4 mile long kutcha road joining the village with the market and tehsil town, Moth. 3 miles of the road had already been constructed in which the major contribution is of the society and its members. The cost of the road already constructed was estimated at Rs. 3,000/- of which Rs. 1,500/- in cash were contributed by the society. Besides this, the members had contributed free labour. The benefit to the members individually was that it would join the village with the market and tehsil town, Moth to which access would be easy and convenient. The advantage to the society was that the road passed through the farm and would thus greatly facilitate the transport of both the farm produce and supplies to and from the town. One mile of the road still remained to be constructed. The work was discontinued owing to the onset of the rainy season. It was expected to be resumed and completed in the coming winter.

X. Dissolution

The society can be dissolved in any of the following circumstances:—

(1) If the Registrar cancels the registration of the society for non-observance or contravention by it of the provisions of the Cooperative Act and Rules.

(2) If the statutory membership falls below the minimum of 10.

(3) If by three-fourths majority of the members the society resolves to dissolve itself.

XI. Community Projects and N.E.S.

The village is situated in the Community Project, Moth. district Jhansi. The society has taken advantage of the project in developing its operations by taking taccavi loans, subsidies and free fertilizers for trials, organising various kinds of field demonstrations, and receiving technical advice and guidance from the specialist officers of the project.

XII. General

There are three principal crops grown on the farm of the society. These are wheat, gram and jowar. They are raised both on irrigated and unirrigated land. While there is no rotation of crops in irrigated area, the pattern of rotation in respect of the crops grown on unirrigated land is the same as prevalent in this area, *i.e.*, they rotate wheat and gram; and jowar and gram alternately. The yields per acre on this farm compare favourably with yields under similar conditions on individual farmer's lands in the area. Actually per acre yield of all the three principal crops appreciably increased during the second year of the society's inception. This resulted from the land improvement schemes undertaken by the society as explained earlier. It can be said in all fairness that agricultural standards are not only being maintained but even being improved by the society.

The farm lies in 2 blocks of 225·25 and 16·5 acres area each. The newly built road from the town to the village passes through the larger block of the farm. A minor irrigation canal flows on the eastern side of the farm. There are 2 wells also on the farm which are used for irrigation. An area of about 0·75 acre is under habitation also of about 20 families of agricultural labourers. 3 of them are members of the society itself. All get employment both on the farm and outside on wages. They are satisfied particularly because of regular work assured to them on the farm. Although profits have been small during the 2 years of the society's existence, yet the financial condition of the society is sound. This is borne out particularly by the investments which the society has made in schemes of land improvement and other development during this period. The society is being run efficiently and the farm operations are performed methodically.

With most of the members closely related to each other, practically the society is being run as a joint family enterprise. The only 3 outside members, besides being given land, were also helped financially in acquiring cash shares in the society. They feel so much obliged with this benevolence towards them that they have practically become dumbfounded so far as the affairs of the society are concerned and take it for granted that whatever the society does will be beneficial to them.

The society was formed with the idea that Government assistance—financial, material and technical—will be more readily available to the society than to the individuals. Secondly, that better cultivation and development of the fields would be achieved with the formation of the society. Thirdly, that it would lead to economy

in expenditure and less strain in supervision. The members are satisfied with the working of the society generally and their expectations have largely been fulfilled. Some of the members, however, were not satisfied with the profits declared by the society, but since part of the income was invested in beneficial schemes which would lead to better returns later, they were reconciled. The society is undoubtedly considered successful by the members and by others, so much so that another cooperative farming society was being formed in the village taking the cue from the success of this society. The members certainly desire the society to continue as also to enlarge its scope of operation. They want further grants-in-aid or subsidy from the Government for a tube-well. They want also reduction in land revenue and irrigation rates which they claim on the ground that such concessions are allowed under the provisions of the U.P. Zamindari Abolition and Land Reforms Act for cooperative farming societies.

STATEMENT I: *Balance Sheet as on 30th June, 1955*

(In rupees.)

Liabilities	Amount	Assets	Amount
	Rs. A. P.		Rs. A. P.
Share capital . . .	10,105 0 0	Cash in hand . . .	77 15 9
Members' deposits . .	8,400 0 0	Share in Central Bank .	37 8 0
Reserve Fund . .	234 0 0	Shares in other cooperative institutions.	110 0 0
Undisbursed profits . .	176 0 3	Market value of stocks	
Other items to be paid .	565 0 0	(a) Trading Stock .	3,300 2 9
		(b) Livestock .	3,021 0 0
Net profit of the year .	683 0 9	(c) Dead Stock .	13,616 6 6
TOTAL .	20,163 1 0	TOTAL .	20,163 1 0

STATEMENT II: *Profit and Loss Account for the year ending 30th June, 1955*

(In rupees)

Loss	Amount	Profit	Amount
	Rs. A. P.		Rs. A. P.
Interest due to be paid .	8 14 6	Income from crops . .	9,937 0 3
Expenditure on crops .	10,191 4 9	Other income . . .	1,560 0 0
Miscellaneous expenditure	88 6 3		
Loss on account of depreciation of stock . .	525 6 0		
Net profit of the year .	683 0 9		
TOTAL .	11,497 0 3	TOTAL .	11,497 0 3

STATE : U.P.

SOCIETY:—THE CO-OPERATIVE FARMING SOCIETY DARAUNA

I. INTRODUCTORY

Year of establishment	March, 1948.
Location	Village Darauna, Tehsil Mehrauni, District Jhansi.
Audit classification	'C'
Membership	The society had 36 members when it was established. In 1949, the membership increased to 49, but at present the membership stands at the original figure of 36.
Land held	The society holds 258·27 acres of land. Of this, 195 acres are under Bhumidari rights and 63·27 acres under Sirdari rights. Ownership of the land vests in the members individually, but possession and right of cultivation of land have been transferred to the society so long as it exists. The irrigated area is 40 acres of which 5 acres are irrigated by a well and 35 acres by small bunds, 218·27 acres are culturable waste. The land is divided in four blocks of 16, 27, 87 and 128 acres each.

II. GENERAL AND ECONOMIC CONDITIONS OF THE VILLAGE

The village is situated at a distance of 28 miles from Lalitpur which is the sub-divisional headquarters and also the nearest railway station. It is 6 miles from the tehsil town, Mehrauni. The village is on the pucca Mehrauni-Saidpur road and is served by buses. The total area of the village is 597 acres of which 502 acres comprise the cultivated area. The population is 172. There are three main communities in the village—Kachees, Kayasthas, and Brahmins. All the families in the village follow cultivation as their main occupation. Wheat, gram and jowar are the principal crops grown in the village. Irrigation facilities being limited, rabi crops are grown both on irrigated and unirrigated land.

Though all the households in the village are not directly concerned with the society, the society has contributed in a large measure to the benefit of all. It has created a number of facilities of which advantage is taken by the whole village. For instance it has reconstructed a drinking water well, provided a radio-set and a library; equipment for volley-ball and musical instruments; and also medicines for free distribution for minor ailments of both human beings and cattle. Economically the people are no better than their counter-parts in other villages in the area. There are no pucca

houses in the village and most of the people are illiterate. The village wells are in a dilapidated condition except the one recently repaired by the society. The village streets and surroundings are not clean. It is solely due to the efforts of the society that some facilities are now available in the village. Otherwise the village is of the average type in the area.

III. RIGHTS IN LAND

The land was originally held by some members as tenants and by others as owners. They pooled the land together and formed the society. There were also certain individuals who did not pool any land but were enrolled as members because they acquired cash shares of the society. At the time of the abolition of Zamindari in U.P. in 1952 these members who were tenants and paid to the government 10 times the amount of their annual rent, acquired Bhumidari rights, *i.e.*, full proprietory rights. The other tenants were granted Sirdari rights by the State, *i.e.*, right of cultivation only in the land held by them. Those members who were owner cultivators acquired Bhumidari rights without making any payment to the government. The position now is that 195 acres of land belonging to 20 members are under Bhumidari rights and 63.27 acres belonging to 9 members and two religious institutions are under Sirdari rights. 7 members have not contributed any land to the society.

IV. RIGHTS AND LIABILITIES OF MEMBERS

The members are entitled to profit on shares held, interest on deposits made, ownership dividend for land pooled and wages for labour rendered. The society has been running in profit since its inception and the members have been receiving the aforesaid payments regularly.

According to the bye-laws of the society the members can neither withdraw nor lease the land pooled until the society exists. Under the U.P. Zamindari Abolitition and Land Reforms Act the right of lease of land has not been granted. However, those members who hold Bhumidari rights over the land pooled can otherwise transfer their land with the concurrence of the society and the person to whom transfer is effected will thus automatically become member of the society. However, in actual practice 13 members resigned from membership and withdrew their land. The provisions of the bye-laws could not be enforced in their case because the withdrawal took place in 1951-52 when the co-operative farming societies in this State were not registered in terms of the provisions of the U.P. Zamindari Abolition and Land Reforms Act which alone enjoined the compulsory retention of land pooled in such societies. The area withdrawn was 160·7 acres.

It is not compulsory for any member to put in a minimum amount of labour. However, 24 members work at the farm and 12 members do not.

All the 36 members retain holdings outside the farm. Such holdings are both in the village which is the area of operation of the society and outside. About 85 acres of land are held by the members outside the farm but within the area of operation of the society.

There is no mention in the bye-laws whether or not the members had the right to take loans from sources other than the society itself. In actual practice they have not so far borrowed from other sources because the society has been meeting their demand in full in this respect.

The liability of a member is limited to five times the value of the share or shares held by him.

V. ORGANISATION AND MANAGEMENT

The management of the society is done by a Managing Committee of 9 members with a President, a Secretary, a Treasurer, a Storekeeper and 5 members. The Secretary of the society is the Co-operative Supervisor of the circle. He is a government employee and does the work of the Secretary honorarily. Except the Secretary, the other members of the Managing Committee are elected every year by the general body at the annual general meeting. The Secretary is a nominee of the Registrar on the managing committee and is therefore an *ex-officio* member. He has voting rights in the managing committee but not in the general body. The President is the chief agent of the Managing Committee on whose behalf he assigns work to the members and undertakes general supervision of all farm operations. The Secretary does all correspondence and accounts work. The Treasurer receives and disburses money and keeps account of all transactions. The Storekeeper is in-charge of all grains and other stocks belonging to the society. Other members of the Managing Committee have no specific duties to discharge. However, all decisions are taken jointly by the Managing Committee and the committee is jointly responsible for the management of the farm.

The land is divided into 14 blocks. Of these, 1 block of 5 acres is maintained by the society in common for purposes of demonstrations, special seed multiplication etc. Implements and livestock for the cultivation of this block are obtained on hire from the members. The other 13 blocks are allotted to groups of members for purposes of all agricultural operations. Such groups

usually consist of 2 to 5 members and 1 member is often included in several groups. The members thus work as agricultural workers getting 50% of the produce as wages for the labour rendered and as hire charges for bullocks and implements used by them. This practice has been adopted since 1952-53. Previously when the land was not divided in blocks, the whole farm was worked as one unit and the members working on the farm were paid daily wages in cash. Since this practice led to considerable wastage of labour and lessening of the profits of the society, the new practice of crop-sharing was adopted.

Twenty four members participate in farming operations as explained above. Of these, three participate in non-farming operations as well. The President undertakes general supervision, the Secretary correspondence and accounts work, the Treasurer receipt and disbursement of money and the Store-keeper maintenance of stock. Twelve members do not participate in any kind of operations; 2 of them are minors, 2 women of Kayastha caste, 1 student, 2 in service outside the village and 5 residents in other villages.

Non-members are not employed for managerial, accounting or supervisory duties. These are performed by some of the members themselves honorarily as explained above. No land is allotted to any individual member for his exclusive or personal use. The land is, of course, divided into blocks and these are allotted to groups of members for cultivation as explained above. The supervision of the farm is exercised by the Managing Committee through its office bearers. The president is the main person doing this work. The managing committee is the executive of the society and is elected every year by the general body. It consists of nine members of whom 8 are elected and one is an *ex-officio* member nominated by the Registrar, Co-operative Societies, U.P. The Committee is responsible for the management of the farm in all respects. It draws up a cropping plan every year and after approval of the general body gets it executed by the members accordingly. It maintains all accounts. It maintains also the stocks belonging to the society and undertakes their marketing. The president of the society is an enthusiastic and energetic worker. There is no paid staff of the society. However, the Treasurer and the Storekeeper who are members of the managing committee are paid an honorarium of Rs. 3/-/- per mensem each. They together with the President undertake managerial duties among themselves.

The blocks are not allotted for subsidiary operations only but for all farm operations and without reference to the land contributed by the members. In farm operations the members carry out

the cropping plan drawn up by the society and also co-operate in the cultivation of the common block reserved for special purposes such as seed multiplication, demonstration etc. In non-farm operations the members co-operate in respect of providing transport for marketing of the produce belonging to the society and in taking loans generally from the society only. No farm equipment or livestock etc., is jointly held by the society. The irrigation well is situated in the block commonly operated by the society.

The cropping plan drawn up by the managing committee and approved by the general body broken up for the different blocks and the groups of members concerned are required to undertake cultivation accordingly. The groups generally work according to this plan. The plan is drawn up in the month of June every year.

The Central Co-operative Bank provides short-term credit to the society. There is no arrangement for providing medium and long-term credit. Taccavi loans are not admissible to the society as a unit but to individual members in their personal capacity. Farm equipment and livestock are not maintained by the society but by individual members. Seeds are maintained by the society itself out of which supplies are made to the aforesaid groups and realized at harvest time without any extra charge out of the produce of each block prior to the division of the produce between the group concerned and the society. Manures and fertilizers are generally not used. In respect of the common block the society gets its manurial requirements from the Government Seed Stores in the area. Marketing of the produce of the common block and of the society's share of the produce of other blocks is done by the society jointly at the market centre, Mahrauni, at competitive rates. Transport for the purpose is provided by the members to the society free of cost.

IV. DISTRIBUTION OF INCOME

The income is distributed between the society and the allottees of the blocks as follows. Out of the produce of each block realization is first made of the seed advanced by the society to the allottees. Out of the balance half is given to the allottees by way of wages for their labour and hire charges for their bullocks and implements. The other half is taken by the society. With this share of the society in the produce of each block is added wholly the produce of the common block. The total quantity is then disposed of in the market and the sale proceeds constitute the income of the society. After deducting the expenditure incurred by the society, net income or net profit is arrived at. Out of the net profit of the society in a year, 25% is allotted to a Reserve Fund and the amount equivalent to 6¼% of the paid-up share-

capital of the society is distributed as share-dividend. Out of the balance an amount not exceeding 50% of the net profit is distributed as ownership dividend on per acre basis for the area pooled. The balance left thereafter, if any, is utilized for productive investment or general development but there is no fixed proportion for these. The ownership dividend paid so far has ranged from Rs. 4/-/- to Rs. 15/-/- per acre in a year depending upon the amount of profit.

There is no fixed proportion of income set aside for productive investment and development. If profits are large in any year, a certain part thereof is set aside for such investment. So far Rs. 2969/4/3 have been set aside for such purposes and are invested in bunds, a storage godown and a seed store building. There is no fund for meeting distress and calamities. For general development purposes also there is no fund, but whenever the income of the society is large enough, part thereof is spent for such work as well. The society has so far spent Rs. 1500/- approximately for general development such as repairs of a drinking water well and provision of recreational and medical facilities for the village people. The only regular fund is the Reserve Fund. This fund can be utilized by prior permission of the Registrar for productive investment and development and for meeting distress and calamities but is required to be reimbursed out of the future profits of the society in schemes of development of the farm. Part of it is held in shares of the Central Co-operative Bank and of other co-operative institutions.

VII. STATE ASSISTANCE

The society has received the following assistance from the State:—

Subsidies:—

(1) Rs. 1500/- from the Co-operative Department of the State. This was given for farm development and has been utilized for the construction of bunds.

(2) Rs. 1415/-/- from the District Planning Committee. This was given in 1952-53 partly for meeting loss incurred on account of the experiment of growing the sugarcane crop which is not grown in this area and partly for the construction of bunds.

Loans:—

Rs. 4000/- from the Central Co-operative Bank in 1952-53 for 'Kans' eradication operations. The rate of interest was 6% per annum and the period of recovery, 1 year. The loan was repaid in full and in time.

No reduction in land revenue, local rates or agricultural income tax has been allowed to the society although there is a provision in the U.P. Zamindari Abolition and Land Reforms Act for reduction in these charges in the case of co-operative farming societies.

Technical advice and assistance have been given to the society by the staff of the Co-operative Department in respect of the development and efficient management of the farm. Technical advice was available from the staff of the Irrigation and Agriculture Departments also in respect of the schemes of farm development. Facilities for obtaining improved seeds, fertilizers, cement etc. have been available from the Government Seed Stores in the area, but except for cement these facilities have rarely been taken advantage of by the society. Guidance and supervision in the day to day management of the farm are rendered by the Co-operative Supervisor of the circle who has been specially stationed in the village. He acts as an *ex-officio* Secretary of the society. The society has not so far approached any official agency for acquiring any cultivable or waste land in order to increase the size of the farm. Therefore the question of any priority in this respect does not arise

At the time of establishment of the farm in 1948 the land pooled formed one contiguous block. Since the withdrawal of 13 members in 1951-52 the farm is not in one compact block. It is now scattered in 4 blocks, the intervening land having been withdrawn from the farm. No consolidation has since been done. The recently enacted U.P. Consolidation of Land Holdings Act has not yet been extended to this district.

VIII. FINANCE

The capital of the society consisted of cash shares and deposits of the members, subsidies from the government, deposits of the non-members and the reserve and other funds of the society. The value of these was Rs. 15.827/6/- as on 30th June 1955. The break-up is as follows:—

(a) Contributed by members:—				
Share capital	.. Rs.	3258	0	0
Deposits	.. Rs.	461	0	3
(b) Subsidies from Govt.	.. Rs.	2915	0	0
(c) Obtained out of the income of the farm —				
Reserve Fund	.. Rs.	6167	8	9
Other Fund	.. Rs.	2969	4	3
(d) Deposits of non-members.	.. Rs.	56	8	9

The society does not own any livestock, implements and machinery. These are owned and used by individual members as explained above. The society, however, owned a seed store building and a Storage Godown valued at Rs. 4225/- and Rs. 500/- respectively.

The balance sheet of the society for the year ending 30th June 1955, is appended.

IX. DEVELOPMENT

The society undertook the following schemes of land improvement:—

(a) Construction of bunds. ... Rs. 4718/-/-

(b) 'Kans' eradication by tractor ploughing ... Rs. 5352/-/-

Besides these, the society undertook other schemes of farm improvements also. These were as follows:—

(a) Construction of a pucca quarter furlong road leading to the farm ... Rs. 400/-/-

(b) Construction of a storage godown ... Rs. 500/-/-

(c) Construction of a seed store building ... Rs. 4225/-/-

There is no mechanisation of agricultural operations at all. The society has not set up any processing or subsidiary industry.

The society has undertaken a number of public utilities and social activities. It has repaired a drinking water well at a cost of Rs. 607/-. The well is used by the whole village. It has made arrangements for free supply of medicines for minor ailments of both human beings and cattle. It maintains a radio set, a library of about 350 books, equipment for volley-ball and musical instruments all for the benefit of the community as a whole. The seed store building of the society is used partly as a community centre where the books and musical instruments etc. are kept. The members of the society have not contributed individually for the provision of these facilities. The society made this expenditure out of its joint income. The facilities are available to all, whether members or non-members, and even to residents of other villages as and when they assemble or come to this village.

X. DISSOLUTION

The society can be dissolved in any of the following circumstances:—

(1) If the Registrar cancels the registration of the society for non-observance or contravention by it of the provisions of the Co-operative Act and Rules.

(2) If the statutory minimum membership falls below ten.

(3) If by three-fourths majority of the members the society resolves to dissolve itself.

XI. GENERAL

There are three principal crops grown on the farm. These are wheat, gram and jowar. On irrigated land only wheat crop is raised and there is no rotation of crops on this land. Over part of the irrigated land improved wheat is also grown. On unirrigated land all the three crops, *viz.*, wheat, gram and jowar, are grown, but the major part of the land is under jowar. Even on this land there is no regular or fixed rotation of crops. Sometimes the same crop is grown over a field for several years and sometimes there is a two or three year rotation. The more common form of crop rotation is jowar followed by wheat or gram but the cycle of rotation is generally irregular. The yields per acre on the farm are about the same as on individual farmers' lands in the area. They are just the average and the main reason for this is that the society has not adopted any of the improved practices to any appreciable extent. The use of fertilizers and manures is insignificant. The use of improved seeds is limited to wheat only and that too over a small area of the acreage under wheat. Improved implements are not used at all nor are the improved means of irrigation like a persian wheel or pumping set. Although the agricultural standards of the society are in no way worse than those prevalent in the area, yet they have certainly not improved with the establishment of the society which normally should have been the case.

The financial position of the society is sound. This is borne out by the facts that the society has been running in profit regularly since its inception and has also made quite substantial investments in the schemes of both farm improvement and general development.

The members are generally satisfied with the working of the society. They formed the society with the expectations that it would lead to economy in expenditure on crop production, saving of time taken by individual cultivation, improvement of land and above all to availability of cheap credit facilities. These expectations have largely been fulfilled. In spite of this, the members who withdrew from the society did so because of the class rivalry. It is said that they belonged to the money-lending class and finding their business affected by the society, they first tried to disrupt the society from within but finding the attitude of other members resentful to such activities, they ultimately withdrew from it.

The steps considered necessary by the members for improving the functioning of the society are consolidation of the farm in one block and availability of medium and long term credit to the society. The members also desire that the charges for tractor ploughing for the eradication of 'Kans', which is reappearing, should be reduced proportionately to the fall in the prices of foodgrains. They certainly desire to continue the society and also to increase its scope of operation. Both the larger and the smaller shareholders are desirous of seeing the society prosper and progress. The larger shareholders benefit by saving time and labour required for supervision of their holdings and by the regular supply of farm labour rendered by the small shareholders. The small shareholders in their turn benefit by regular employment and better earnings than would be otherwise available to them. Both benefit from the cheap credit facilities available to them from the society. The largest contributor of both land and share capital—a former Zamindar, commands the respect and obedience of all other members. When the society was formed, he was the first person to contribute land. He persuaded other people also to join the society. As a result of his persuasion 8 other persons joined the society and jointly contributed about 80 acres of land. He acts as store keeper of the farm and also lends a helping hand in the general management of the society. He has been holding one office or the other in the society since its inception.

STATEMENT I

Balance Sheet as on 30th June 1955.

Liabilities	Amount Rs.	A.	P.	Assets	Amount Rs.	A.	P.
Share Capital	3,258	0	0	Cash in hand	77	4	9
Members' Deposits	461	0	3	Shares in Central Co-operative Bank.	1,335	0	0
Non-members' Deposits	56	8	9	Shares in Other Co-operative institutions	100	0	0
Reserve Fund	6,167	8	9	Deposit in Bank	1032	0	0
Other funds	2,969	4	3	Deposit in other Co operative institutions	923	10	6
Undisbursed Profit	151	8	0	Loans outstanding against members	3,989	9	0
Interest to be paid	678	13	9	Interest to be realized	148	2	9
Other items to be paid	2,730	3	0	Other items to be realized	6,760	6	9
				Market value of Stocks			
Net profit of the year	2,565	5	0	(a) Trading Stock.	2,911	0	0
				(b) Dead Stock	1,761	1	3
TOTAL	19,038	3	9	TOTAL	19,038	3	9

STATE: WEST BENGAL

SOCIETY:—SODDYA CO-OPERATIVE FARMING SOCIETY LTD.

I. Introductory

Year of establishment—January 1950.

Location—Village Soddya, P. S. Burdwan Sadar Sub-division.

Audit classification—Nil.

Present number of members—34.

Land held—304·53 acres owned by the members and held under "Rayati Sthithiban" transferred to the society by registered deeds. Most of the area, is under seasonal irrigation and except for two compact blocks covering 85 acres, the rest of the farm lands are interspersed with plots belonging to non-members.

II. General and Economic conditions of the Village

The *mouza* has an area of 320·58 acres, inhabiting 160 families and a population of more than 800. The people of the village are mostly Hindus of the Ugra Kshatriya caste, with a sprinkling of Muslims and Santhals. The number of labour families in the village is 25. Most of them also do some share-cropping or cultivate their tiny patches of land. Some of them ply cart and work as menials also. The size of holdings of the cultivators vary between 1 to 30 acres. The 'jotedars' (medium cultivators) import labour from distant places in Bihar twice or thrice a year. Each individual cultivator has to do it for his own farm and this involves considerable expenditure. The soil of the area is sticky and has not the qualities of growing many crops. The lands are low lying with also very limited scope for growing rabi crops. Irrigation facilities are available for the area, but during the dry season, water from the canal is not generally available. Close to the village flows a rivulet and sometimes the water from this is utilised for irrigating the neighbouring fields to supplement canal irrigation. Paddy is the principal crop of the locality; sugarcane is grown on a very small scale. People prefer organic manure, i.e., cowdung, bonemeal, oilcake, etc., to chemical fertilizers, but in recent years, the use of the latter is on the increase. Mat making is the only cottage industry of the village. Mats are prepared mostly for domestic use as they do not find ready market elsewhere. The village is within Saktighar Community Project. Communications are in a hopeless condition in spite of the efforts of the people and the community project. The Burdwan-Kalna road is the nearest pucca road which

is about four miles off. The village has a high school and a primary school, the former being up-graded to its present status and the latter started recently. The literacy in the village is 18 per cent.

III. Rights in Land

The position is the same as in Barari Co-operative Farming Society (*see* page 180).

IV. Rights and Liabilities of Members

During the recent settlement operations, about 25 out of 33 members got their lands transferred to the society. Five or six members of the society who either purchased lands or acquired the same in one way or the other, have not made over these lands to the society but retained the same for personal cultivation. The total area of such lands was estimated to be 12 acres. Besides this, about 5 members have tiny patches of land growing sugarcane. These patches together with their agricultural lands have been duly made over to the society. The members concerned have entered into an agreement with the society under which the plots of land growing sugarcane are allowed to be cultivated by the individual members and in lieu of this the society receives a kind of rent in terms of paddy. The society has allowed this as it is not profitable to undertake cultivation of sugarcane on such a small area.

V. Organisation and Management

The entire land is managed as one holding for all agricultural operations. The experienced members of the society who are also the Directors, take upon themselves the supervisory duty and generally after the day's work is over, these members sit together and decide among themselves the work to be taken up by each individual Supervisor on the following day. Some times there are sharp differences of opinion which centre round general programme of work and day-to-day operation on the farm. Practically, there are two groups among these members deciding upon the policy of the society. In case of a dispute, the opinion of the majority of the supervising members prevails. It is however reported that the President who is a leader of one group has not been able to reconcile himself to this method and generally keeps himself aloof when the opinion of the majority goes against him.

Unlike the members in Barari Co-operative Farming Society, those in this society work only in the supervisory capacity. In this matter, the inclination of each supervisor, his suitability for

the particular job and other cognate factors are taken into consideration. Each supervisor is then placed in charge of a number of casual labourers and it is his duty to get these labourers usefully engaged on the farm work.

Although the farm is divided into quite a number of separate parts, the decision in regard to the cultivation of all these is a unified one and emanates from one single source, i.e., the Board of Directors. For agricultural operations, no separate blocks are allotted to different Directors.

All the farm equipments, i.e., machinery, implements and bullocks are owned by the society. The members have already sold away their bullocks and carts in order to purchase cash shares of the society. Till 'the society constructed its own godown, the seeds were stored in the barns belonging to one of its members without having to pay any hire charges thereof. The member did not transfer this barn to the society.

Each supervisor member of the society works on the farm along with his batch of casual labourers. The society has to bring in each year batches of labourers from outside for this purpose who are then engaged for transplantation, weeding and harvesting of paddy. Ploughing operations are undertaken with the help of two tractors.

About 10 out of the 34 members of this society work in the supervisory capacity but none among them puts in manual labour. Four more persons belonging to the members' families work as tractor drivers. One among the members looks after the maintenance of accounts and records, together with the Secretary. In all 23 members of the society do not work on the farm in the supervisory capacity as it cannot provide employment of this nature to more number of members.

Except for the four tractor drivers no non-member is employed on the farm. According to the by-laws of the society, the Board of Directors is to be formed by elected members in the annual general meeting of the society. The Directors then elect the Secretary, President and Vice-President. In case of this society, there was a contest between two members for the presidentship. However, some of the ordinary members along with a few Directors signified their preference for a particular member and that decided the issue of the presidentship of the society. The staff of the Co-operative Department though present at the time of the election remained passive all through. There are at present six elected Directors. According to the bye-laws, the number of nominated Directors should not exceed 50 per cent. of the elected Directors. The society has no nominated Director at present. It is learnt that the society proposed the name of the Co-operative Inspector for one of the nominated

posts, but no decision in this regard has so far been taken by the Co-operative Department.

The present President of the society is a big cultivator and so also is the Secretary. The other Directors come from both big and small cultivators. During the four years of its working, there have been many changes in the office bearers of the society. Experience in cultivation and capacity for organisation get premium in the matter of selection of personnel of the Board of Directors as well as the office bearers.

There is not much of a plan for cultivation, but the society does make an attempt to improve cultivation. In this direction, the society reclaimed a small area lying by the side of a derelict tank with a view to making it fit for rabi cultivation. Unfortunately, this attempt did not succeed owing to the dispute among the Directors. Similarly, during the second year of its working, the society took on lease about 100 acres of jungle land at a place far off from the village, reclaimed the same and attempted rabi cultivation. A farm-house was erected on the jungle-land so taken on lease and two or the society's members were posted for supervisory functions. The scheme proved abortive inasmuch as the society had to incur a loss of Rs. 12,000/- in the course of three years and had, therefore, to discontinue this venture.

The society has profited in common with other cultivators from the agricultural extension work carried on under the auspices of the Community Development Project. The society learnt in common with other cultivators the use of chemical fertilizers also. A half-plot result demonstration and also a demonstration of Japanese method of paddy cultivation were carried out on the farm of the society by the Grama Sevak under the auspices of the Community Development Project. These demonstrations failed to impress the members, as according to them, the demonstrations did not compare favourably with the control parts.

The society gets short-term accommodation from the Central Co-operative Bank at 6 per cent. interest and the loan is repayable by 31st March each year. As for supply of seeds and manures, the seeds used by the society are its own while two of its members have accepted the sub-agency for distribution of fertilisers in their personal capacities. The society has so far carried on the task of marketing the produce in the old traditional way, i.e., either selling the produce at the village to the visiting wholesaler or his representative or carrying these in their trailers drawn by tractors to the wholesale market at Saktighar. The members opined that no particular benefit attaches to their direct sale to the mills.

VI. Distribution of Income

Each working member who, works only in the supervisory capacity, gets an honorarium of Rs. 45 per month for the period they work on the farm. The four tractor drivers get monthly wages for the months when the tractor is used at rates varying from Rs. 60 to Rs. 80 per month. The monthly honorarium for all the members working in the supervisory capacity is the same and this is considerably less than what a casual labourer earns by working on the farm. As the members work on supervisory duties, there is not much of a distinction in the quality of work preformed by each.

The hired labourers are paid the prevailing wage rate in cash and kind. The seasonal fluctuations obtaining in the locality are also reflected in the wage rates paid to casual labourers by the society.

The position in respect of ownership dividend is the same as in Barari Co-operative Farming Society. (Page 183).

According to the bye-laws, at least 25 per cent. of the profit should be kept in the reserve fund. But this society has so far made no provision for investment, development and other purposes, nor has it created any fund so far. The balance sheet of the society as on 31st March 1955 shows a reserve fund of Rs. 201 only. The same balance sheet also shows an amount of Rs. 6,318 as profits which are reported to have been set aside for meeting the running expenses on agricultural operations.

VII. State Assistance

During the last three years the society has received the following assistance:—

(1) A refund of Rs. 5,000 from the collective fines, collected during 1942, as a subsidy for the purchase of a pumping plant and other miscellaneous items.

(2) Another Rs. 5,000 as subsidy from the Co-operative Department for the construction of godowns.

(3) A subsidy of Rs. 500 from the Registrar's development fund for the sinking of a tubewell for drinking water.

(4) Interest-bearing loans.—Short-term accommodation from the Central Bank at 6 per cent. interest was obtained by the society as given below:—

	Rs.
1951-52	26,000
1952-53	6,000
1953-54	33,000
1954-55	30,000
	95,000

Each year the previous short-term debt was repaid before a fresh accommodation could be had from the Bank. Ten per cent. of the accommodation was retained by the Central Co-operative Bank as its share value.

Two pumping plants and two weeders were purchased by the society from the Community Development Project and the Agriculture Department at subsidized rates. It also received free of cost fertilisers and seeds for demonstration plots.

As for technical assistance and guidance, the position is the same as for Barari Co-operative Farming Society. (Page 184).

VIII. Finance

The contribution by members constituted of the value of lands transferred to the society and the cash shares purchased by them. The value of land was assessed at a uniform rate of about Rs. 1,000 per acre and each member was required to purchase cash shares in a definite proportion to the area of the land transferred to become a member of the society. The society has issued so far land-shares worth Rs. 2,99,330 and cash shares having an aggregate value of Rs. 13,200.

Deposits with the society are quite negligible, being Rs. 150 as on 31st March 1955.

The society has spent more than Rs. 23,000 on its two tractors and trailers, another Rs. 2,000 on two pumping plants. It has spent further a sum near about Rs. 6,000 on its livestock, implements, carts and other accessories. The two godowns which are under construction cost the society Rs. 3,500. The society had to carry out thorough repairs of one tractor at a cost of Rs. 3,000. Besides this, occasional repairs of the two tractors and replacements of parts were undertaken, for which a considerable amount was reported to have been spent by the society.

IX. Development

The condition of the soil and the type of land are such that there is not much scope for land improvement. The society has so far undertaken the following land improvement schemes:—

(1) Reclaiming a jungle tract for rabi cultivation in 1952-53 —Rs. 3,000.

(2) Removing the embankments of the adjoining plots of the members—Rs. 100.

Mechanisation extends only to the sphere of ploughing and is done by tractors. For transportation of goods also, trailers driven by tractors are occasionally used. In case, sufficient water is

not available for irrigation from the canals, pumping plants are commissioned into action. The society took up husking operation with the help of a hauler driven by tractor. But this practice has since been stopped as the husk and dust make the tractor unserviceable, requiring frequent cleaning and repairs.

Marketing is done in the old traditional way. As the society has to repay its debt to the Central Co-operative Bank every year by the 31st March, it has to sell away paddy before that date. The society is not in a position to withhold the stock of paddy and straw for taking the advantage of rising prices.

The society contributed Rs. 400 of the village road taken up by the Community Development Project. The members of the society contributed voluntary labour and the society itself spent Rs. 30. Two tube wells for drinking water mainly for the use of the farm have been sunk by the society.

X. Community Project and N.E.S.

The society is situated within the Community Project Block of Saktighar. The society had the advantage of having a demonstration of Japanese method of paddy cultivation and also a half-plot result demonstration on the co-operative farm; free supply of seeds and fertilisers were also obtained by the society in connection therewith. The officials of the society, however, opined that they did not get adequate technical advice from the Community Development Project. They were of the view that the demonstrations carried out by the Community Project on the farm of the society were not very helpful and the collection of seeds of paddy for distribution was done in a careless manner. The office bearers feel that there should be proper co-ordination between the authorities of the co-operative farming societies and those of the Community Development Project and the Agriculture Department.

In common with the other villagers, the society helped the reconstruction of the village road, got a village school graded up to a high school and set up a primary school in the village. These items of public work were undertaken with the help of the Community Project. The Inspector of the Co-operative Societies attached to the Community Project also took some interest in the society and tried to settle a dispute between two groups of its members.

XII. General

The layout of the farm leaves much to be desired and it is felt that consolidation of holdings would improve the position of the society to a great extent. It is expressed by the members of the

society that there is not much scope for improvement of the standard of cultivation on their part as the land is low-lying and the soil does not permit use of improved implements like weeder, seed drill, etc.

The yield of paddy per acre on the society's farm last year was 38 maunds while on the non-members farm it was between 42 to 45 maunds.

The members were induced to form a co-operative farming society because of the scarcity of local labour which required them to bring *Santhal* labour several times a year and inspiration they received from the study of literature on collective farms in Russia. Besides this, long promises held out to the members of the society by the Ministers and other dignitaries as regards free supply of fertilisers, manures, seeds, subsidy and loan induced them to form a co-operative society and purchase a tractor for this purpose.

The members and non-members alike have no longer any illusion about the performance of the society. The non-members are not willing to become members of the society as according to them, the society has fared worse than individual cultivators. The cost of cultivation on the society's farm has rather gone up due to the following factors according to the members of the society:—

(a) most of the members have sold away their bullocks and carts in order to be able to purchase cash shares; no manure is therefore available to the society free of cost.

(b) the members of the society have to repair the embankments of non-members' fields after the tractor passing across these fields has caused them damage.

(c) the occasional breakdown of the tractors and consequent stoppage of work enhance the cost of cultivation.

(d) in respect of procuring manures, the society has to incur considerable expenditure on transport charges.

(e) the interest charged on short-term loans which, on an average, amounts to Rs. 3,000 a year, is a big item of expenditure on the society's farm.

The small and the big holders of the society sail in the same boat. Some of the members have become restive and are working as agents, contractors, etc., to add to their income. The Secretary of the society himself is an agent of a life insurance company and is also a contractor of the District Board.

The members of the society have not lost faith in co-operative farming. They desire to increase its scope of operation and suggest the following steps necessary for improving the function of the society:—

(a) Provision for medium and long term loan in order to facilitate marketing of paddy, timely purchase of manures, keeping in stock an assortment of parts of the tractors, etc.

(b) Subsidy for the purchase of a vehicle for the society and for the construction of a coolie shed and barns.

(c) Reduction in rent, water tax, etc.

(d) Improvement of communications.

(e) Timely supply of fertilisers and manures at concessional rate.

There is no single member who could be said to be commanding an overwhelming reverence and obedience of all other members.

STATEMENT I

Balance Sheet 31-3-35.

Liabilities	Rs.	A.	P.	Assets	Rs.	A.	P.
1. Cash Share . .	13,200	0	0	1. Cash in hand . .	55	12	6
2. Land Share . .	2,99,330	0	0	2. Share in C. B. . .	2,400	0	0
3. Reserve Fund .	201	6	4	3. Share in district M.P. Society Ltd. . .	20	0	0
4. Security Deposit .	150	0	0	4. Current deposit in C. B. 25/- & D.C.M.P. Rs. 100/-. . .	125	0	0
				5. Savings deposit .	10	0	0
5. Grants from collective Fines . . .	5,000	0	0	6. Value of land . .	2,99,330	0	0
6. C. B. Loss . .	12,671	0	0	7. Advance to labourers	4,058	0	0
7. Interest due . .	115	2	0	8. Value of tractor & other machineries . .	23,616	7	3
8. Undistributed profit .	2,576	4	7	9. Value of saleable stock . . .	7,003	3	0
9. Net profit of this year.	3,742	1	7	10. Previous loss . .	366	15	9
TOTAL . .	3,36,985	14	6	TOTAL . .	3,36,985	14	6

16

STATE: WEST BENGAL

SOCIETY:—BARARI COOPERATIVE FARMING SOCIETY

I. Introductory

Year of establishment . . .	May 1952.
Location—	Village Barari, P. S. Memari, Sardar Sub-division, Distt. Burdwan.
Audit classification— . . .	Nil.
Present number of members— . .	34.
Land held— . . .	151·45 acres held by the members under 'Rayati Sthitiban' is transferred by registered deeds to the society. All the land is under seasonal irrigation and is divided into 18 blocks of different sizes.

II. General and Economic conditions of Village

The *mouza* has an area of 683·88 acres, inhabited by 130 families with a population of nearly 600. All the people are Muslims. About 25 per cent. of the population is reported to be literate and there is a High School located in a village just two miles off. Communication facilities are very inadequate and the village remains practically cut off from the surroundings during the rains. The nearest pucca road—Burdwan-Kalna Road—is five miles from the village.

Most of the families have small patches of land each, which they cultivate themselves. The holdings of the few big and medium-sized cultivators range between 15 to 30 acres. They cultivate their land by engaging hired labourers, casual or permanent. During the peak season in agricultural operations, *i.e.*, ploughing, trans-planting and harvesting, seasonal labour immigrates into the villages for agricultural work on wages; these labourers generally come from the Santhal Parganas of Bihar. Of the total families, mentioned above, 30 possess practically no land. Their principal source of income is share-cropping or working on others' fields as casual labourers.

The *mouza* is practically a single-cropped paddy area with Rabi crops grown in exceptional cases. Although the irrigation canals cut across this *mouza*, water is not available during the dry season.

One of the most important sources of subsidiary income of the small cultivators in this village has been the business in paddy and straw. They purchase paddy and particularly straw from the neighbouring villages, carry the same to Memari in their carts for selling to the *mahajans* at a comfortable margin in the wholesale market there. The business in straw has been very lucrative for the last few years.

III. Rights in Land

The land was originally held by members as Sthitiban Ryots under zamindars; and it was pooled together when the society was formed. Where the land of the members formed one compact block, the existing demarcations were effaced in order to facilitate tractor-ploughing. Only the lands belonging to the members were pooled together and no non-members' land was involved in this.

IV. Rights and Liabilities of Members

The lands belonging to the members were transferred to the society by registered deeds. The members retain no right to withdraw the land as long as the society exists. Only in case of the society going into liquidation the land of the members will be returned to them on *pro-rata* basis after meeting the liabilities of the society. During the recent settlement operations, most of the lands cultivated by the society were recorded in the name of the society. But two non-resident members preferred to get their portion of the pooled land registered in their own names. The model bye-laws of the co-operative credit societies of the State have been adopted as the bye-laws for the co-operative farming societies with suitable modifications. According to these bye-laws, members are not required to put in a minimum amount of labour. The bye-laws are proposed to be further modified in the light of the experience gained from the working of the society. In practice, so far as this particular society is concerned, all the ablebodied male members knowing cultivation work put in manual labour. In this respect, this society is distinct from others of its kind in Burdwan District, where these operations are carried on by only hired labourers. Out of 34 members of the society, two non-resident members, 14 women members and 7 others, do not put in manual labour. Eleven members and two adult males from the families of two women members of the society put in manual labour on the co-operative farm. No member retains any part of his holding outside the farm and all their agricultural lands have been pooled together in the co-operative undertaking. In respect of getting loans from sources other than the society, the bye-laws do not inhibit any such action on the part of the members, but in absence of any assets to mortage, the

members cannot get any loans from other sources. The society however has been informally advancing money to some of its members in order to enable them to meet different contingencies. The Assistant Registrar is of the opinion that these things will have to be regularised.

The liability of the members is limited to the value of their share-capital.

V. Organisation and Management

The entire land is managed as one holding for all agricultural operations. The 13 male members mentioned above are employed on the farm work on the basis of annual wages. The work is allotted to each working member in a meeting in the office of the society. The most experienced persons, namely, two Directors and two ordinary members, take the leading part in arriving at a decision about work after taking into consideration the inclination of the member, his availability for the job and other cognate factors. The working member is then placed in charge of a number of casual labourers with whom he works in the field and tries to get his allotted duty done. The member does not confine his tasks to supervision only but puts in manual labour just as any casual labourer. Although the farm is divided into many separate parts, some of which are quite distant from one another, the decision in regard to the cultivation of all these is a unified one and emanates from one single source, namely, the four persons referred to above. In case of a dispute, the decision of the Vice-President, a young man having read up to B.Sc., is accepted by all. Sometimes, the leading persons, referred to above, act contrary to the decisions of the Board of Directors, but no serious dispute arises.

All the farm equipment, *e.g.*, tractor, implements and bullocks are owned by the society. The members have sold away their own farm equipment including bullocks in order to purchase the cash shares of the society. The society brings in each year batches of labourers from outside and engages them for transplantation, weeding and harvesting of paddy. Each working member is in charge of a number of casual labourers with whom he works.

All the 11 members who work on the farm carry on supervision-*cum*-manual work. They carry on all types of operations, from transporting manure to the thrashing of paddy. Even the tractor driver, who is a member, has to take up different types of work when he is not called upon to drive the tractor. As for maintenance of accounts. one of the members is assigned this work also and he together with the Vice-President maintains the records besides doing actual work of cultivation. Two other members also devote most of their time to the business of paddy which the society has

undertaken recently under the auspices of the marketing society doing trade in paddy and paddy straw. These two members, whenever they are free, also work on the farm. Two members are non-residents and, therefore, do not participate in agricultural operations of the farm. Another seven members had never cultivated their lands personally and as such, they also do not participate in the manual labour on the farm. Besides these 9 members, 14 women members of the society do not participate in the operations of the farm, as they used to give their lands to crop-sharers for cultivation before joining the co-operative farming society. No non-member is employed on the farm for managerial and accounting duties. However, two persons who belong to the families of members work on the society's farm and receive annual payment just the same way as working members.

The Board of Directors is responsible for the supervision of the society, but as a matter of practice, the four members mentioned earlier—two Directors and two ordinary members—manage the affairs of the society. According to the bye-laws of the society, the Board of Directors is to be elected by the members in the annual general meeting of the society. These Directors would then elect a Secretary, President and a Vice-President. In case of Barari Society, however, the President and the Secretary were elected along with the Directors by the members. There are at present six elected Directors. The number of nominated Directors, according to the bye-laws, should not exceed 50 per cent. of the elected Directors. But the society has no nominated Directors at present. The President is a cultivator of medium-sized holding; the Vice-President is one of the small-scale cultivators and so is the Secretary. The previous President was the biggest land-holder among the members. It was reported that he was replaced this year because of the bad management of the farm operations. An old, experienced man with honesty and sincerity of purpose is elected this year while the Vice-President is a highly educated and energetic young man in the village. It appears that the officials of the society are elected not because they hold important social or economic status but because they are efficient, honest and energetic.

There is no particular plan for cultivating the co-operative farm. The society has profited in common with other cultivators from the agricultural extension work carried on by the Agriculture Department. But the help from the Department is reported to be not forthcoming to the required extent. The office bearers of the society had previously requested the officers of the Agriculture Department to examine their soil, lay down a suitable plan for crop rotation and instruct them on cultivation of jute, but they have not yet been guided by the Agriculture Department.

The society gets short-term accommodation from the Central Co-operative Bank at 6 per cent. interest, repayable by 31st March every year. As regards medium and long term loans, they are in a disadvantageous position, as the Central Bank cannot make provision for medium term loans and the land mortgage banks do not recognise the right of the society to pledge members' lands for long-term credit.

The seeds used by the society are its own. The society has accepted sub-agency for the distribution of fertilizers. Last year, as there was delay on the part of the Government to supply bone-meal to the society, groundnut cake was obtained from U.P. through the District Marketing Officer. As regards marketing, the same old traditional way of selling the produce at the village to the visiting wholesaler or his representative continues. The members of the society opined that there is no particular benefit in direct sales to the mills.

VI. Distribution of Income.

The working members on the co-operative farm get annual payment in cash. The annual remuneration is determined by taking into account the number of days in the year which the working member devotes for supervision-cum-manual work and the quality of the work so done. It appears that there is no fixed basis for determining the total wage fund which would be distributed to the members during any particular year. However, a guiding basis seems to have been the consideration of wage rate in the locality, the total wage bill paid during the previous year and the wage fund which could reasonably be apportioned for payment of wages to labourers from the gross produce available after deducting ownership dividend, etc. The share of remuneration which accrues to a particular member is determined by the Board of Director's and two ordinary members, referred to earlier, who take leading part in the society. Each Director and the two ordinary members write on a piece of paper the remuneration he considers suitable for each working member separately. These figures are then averaged out and the remuneration of each one of the members obtained. According to the Vice-President who hit upon this idea, the system is working excellently. Thus determined, the Vice-President got during 1954-55 Rs. 280/- for 180 days of work, the Chairman got Rs. 350/- for 180 days of work, the Secretary got Rs. 300/- for 300 days and the tractor driver got Rs. 460/- for 200 days of labour.

If the total annual payment of each member and his labour days put on the farm are taken into account, the wage rate of the working member would be lower than the prevailing wage rate in the locality. As for hired labourers, they are paid customary wages in cash and meals; the daily wage is between Rs. 1/8/- and Rs. 2/4/-. Ownership dividend to the extent of one-third of the gross produce is paid to the land-holding members of the society. This ownership dividend is lower than the prevailing rent-share which is 50 per cent. of the produce in contravention of the provisions of Bhagchas Act, 1948. Cash rent in this area is understood to be the rent which the ryot pays to the zamindars. Ownership dividend is definitely much more than this cash rent of land. No appreciable surplus having yet accrued to the society, no payment such as bonus, profit, etc., has been made. In 1954-55, a negligible profit of Rs. 672/- was made by the society. This amount is reported to have been set aside for meeting the running expenses on agricultural operations. As a rule, no portion of the income is set aside for investment, development or for other purposes, nor has any reserve fund been created for this purpose. However, since the inception of the society, investments have been made for the purchase of tractor, laying of embankments, filling up a derelict tank, etc.

VII. State Assistance

The society has received during the last three years the following assistance.

(1) A subsidy of Rs. 6,000/- from the Co-operative Department for the construction of a godown and office for the society.

(2) A subsidy of Rs. 4,050/- has been promised by the Department of Agriculture in connection with a small-scale irrigation scheme, the total estimated cost of which is Rs. 8,100/-. The work on it has already been taken up. No interest-free loan has been received by the society.

Short-term loans, known as crop loans, are received by the society from the Central Co-operative Bank. The amount received was Rs. 7,000/- in 1954-55 and it is Rs. 12,000/- for the current year, 1955-56. During 1953-54, the society did not receive any short-term loan. A short-term loan is payable in 8 to 9 months or by the end of March every year and carries an interest of 6 per cent per annum.

There is no reduction in land revenue or local water rates, etc., in respect of this society. The society pays all these taxes and other impositions on behalf of their members at their full rates. No special facilities have been provided for the supply of seeds,

manures and implements. In respect of pumping plants, facilities in the shape of instalment-purchase exist in this area, but these are not known to the members of the society. As for technical assistance and advice from the side of the Co-operative Department, there is one Circle Inspector who is in charge of nine co-operative farming societies of Sadar Sub-Division. This inspector is supposed to give guidance to the co-operative farming societies of this Sub-Division, but he has got no auditor nor any other assistance is given to him by the Department. As for obtaining cultivable waste lands, the society has been requested by the Government to let them know about the existence of such lands so that these could be easily made over to them for development and cultivation.

The land of the society is not consolidated. The members in general appreciate that consolidation is one of the important ways of reducing cost of cultivation, particularly where tractor-ploughing has been adopted.

VIII. Finance

The share capital of the members is constituted of the value of land transferred to the society and the cash shares purchased. The value of the lands transferred to the society was assessed at the flat rate of Rs. 1,200/- per acre. In addition to the land shares, the society sold cash shares as mentioned above to the members. Each member was required to purchase three cash shares of Rs. 20/- each, if he had transferred to the society one acre of land valued, as mentioned earlier, at the flat rate of Rs. 1,200/-. No person can become a member of the society by purchasing cash shares alone.

The society has issued land shares worth Rs. 1,75,200/- and cash shares of Rs. 13,316/-. Each member transfers land to the society and purchases at least three cash shares of Rs. 20/- each for every acre of land so transferred. Deposits of the members with the society as on 30th June 1955 stand at Rs. 3,052/10/-. Subsidy to the extent of Rs. 6,000/- was received from the Government. The society received a short-term loan of Rs. 12,000/- from the Central Co-operative Bank after it paid in full its previous debt to the Bank. It has purchased a tractor, implements, a pair of buffaloes and a cart. The members have made no contribution to the society in this respect. The total value of implements, machinery and live-stock was reported to be Rs. 14,000/-. In addition to this, a sum of Rs. 3,500/- was spent in repairs and replacement of parts of the tractor in the course of last two years.

IX. Development.

The society has so far undertaken the following land improvement schemes; the amounts spent have been mentioned against each:—

	Rs.
(1) Removing embankments lying between adjoining plots . .	50
(2) Levelling of 5 acres of high land	1,000
(3) Small irrigation scheme and development of three acres of land for rabi cultivation, estimated cost.	8,100
(A subsidy of Rs. 4,080/- has been promised by the Department of Agriculture in co nnection which this scheme).	
(4) Filling up of a derelict tank 2½ acres in size by removing earth from the adjoining high land	1100
	(Rs. 500/- already spent.)

Mechanisation extends only to the sphere of ploughing with the help of the tractor. The trailer driven by the tractor is also occasionally used. The society took up husking of paddy with the help of a hauler driven by the tractor. The tractor used to be hired out. But as there is no demand for it now a days, nor can it be sent outside the village owing to very bad communications, this practice has now been discontinued.

The marketing of the produce of the society is done in the old traditional way. The society usually sells a part of their paddy as soon as it is harvested. This is done, in order to take advantage of (1) the high market price prevailing at the time when the new paddy just begins to trickle in the market (2) the moisture content of the new grain which makes it heavy. The society markets the rest of the produce in March-April when the prices are still low in order to repay the loan of Central Co-operative Bank.

The members of the society with a few non-members carry on business in paddy under the auspices of a marketing society newly registered. A godown for this purpose is under construction at the wholesale market place. These members of the society have also recently taken up business in manures, seeds and fertilizers.

The society has set up a library with contributions from three members and Rs. 30/- paid by the society itself. The members and the non-members alike take advantage of this institution. The library has 145 books and it is located in the office of the society. For setting up a primary school in the village, the society transferred to the school land measuring 0·25 acres and paid Rs. 123/- in cash besides contributing voluntary manual labour of its members.

X. Dissolution

If 75 per cent. of the members so decided in a special general meeting called for the purpose, the society can be dissolved with the consent of the Registrar. After dissolution, liabilities of the society would be met first from the assets and the share-holders would get back the lands proportionately after the liabilities are cleared off.

XI. General

The layout of the farm leaves much to be desired and it is felt that consolidation of holdings can improve the position to a great extent. After the pooling of resources, the society made arrangements for irrigating a small tract of mid-high land and on this, double and triple cropping is being practised. No other improvement in respect of crop rotation has so far been effected.

No cost data were available for a comparative study of the farming efficiency of the society *vis-a-vis* the farm of the non-members. Although all available evidence goes to show that there is no laxity of effort on the part of the members of the society, according to members and non-members alike, the reduction in cost of cultivation due to mechanised ploughing is more than counter-balanced by the following factors:—

(i) Neither the society nor its members now have any livestock and as such, all the manures supplied to the farm have to be purchased. In case of non-members, cowdung manure constitutes an important item, for which no expenses have to be incurred by them. The society has, therefore, to purchase larger quantities of manures and fertilizers.

(ii) Owing to the layout of the society's farm, where plots belonging to non-members are interspersed with the plots of the society, the ploughing of its land with tractor has to be undertaken much in advance of other non-members. In order to be able to do this, the society has to arrange for bringing water into the fields from the adjoining irrigation canals at a time when the supply of water by the canal authorities has not been made. This involves employing of labour force and as such, considerable expenditure is incurred by the society. This has also been a boon to the non-members, who can now get irrigation water in time without having to spend anything from their own pocket.

(iii) Although tractor-ploughing, minimises the use of manual labour to a great extent, it involves huge expenditure in respect of the repairs and replacement of the parts of the tractor. In the absence of a central servicing station at Burdwan, the society has to spend large amounts in servicing the tractor and in bringing down the required parts from either Calcutta or Bombay. The life of the tractor is reported to be only 5 years and the society in the course of the last two years has spent nearly Rs. 3,500 on its repairs and replacements. The society cannot also afford to keep in stock an assortment of these parts which required frequent replacements, as in the absence of any medium-term loan, it cannot find the wherewithal for the purchase of the same.

The yield of paddy per acre on the society's farm last year was about 31 maunds. The average yield for a few of the better type farmers, among the non-members, was 25 maunds. This was corroborated by the non-members also.

Non-members in the village are not willing to become members of the society and some among the members have become restive also. An important source of subsidiary income for the people of this village has been carting and carrying on trade in paddy and straw with the help of carts and bullocks. But the members of the society have sold all their bullocks and carts in order to be able to purchase cash shares of the society and, as such, they are not now in a position to carry on this important trade. The individual member, therefore, thinks that he has lost a definite subsidiary income by becoming a member of the society. The members, in order to compensate for this loss of subsidiary income, have taken up activities like marketing of paddy and sub-agency for the distribution of fertilizers. Even then, the loss of the members is reported to be greater than the income they derive from these activities. As a proof of this, some people at Barari reported that, out of 16 non-members belonging to the same land-holding group as the members of the society, 11 purchased land on an average of 10 bighas each during the last two years. But only 4 persons out of 34 members of the society could purchase similar lands on an average of 2½ bighas each. It will be noted here that the land thus purchased by the members was also transferred to the society by registered deed. The loss of this subsidiary income is felt more by smaller cultivators than the larger ones.

The society has been organised around two things:—(1) the tractor and (2) scarcity of labour in the locality which necessitates importing of labour from distant places twice or thrice a year.

The problems now thrown up by tractor cultivation have made people rather sceptical about its utility. For the improvement of the working of the society, the following suggestions are generally made by the members:—

(i) In exchange for their straw, the Government should arrange to supply to the society, free of cost, all manures and fertilizers in addition to bearing the cost of repairs of the tractor. This suggestion is however not considered feasible by the State Government.

(ii) Definite provision for medium and long term loans must be made to the society as early as possible.

(iii) The society should be given monopoly business in fertilizers.

(iv) Communication should be improved by constructing a pucca road connecting the village with Burdwan-Kalna Road five miles off.

In general, the members still want to continue the society and increase its scope of operation. They also want to undertake some ancilliary occupations which would provide them employment and income.

STATEMENT I

BARARI SAMABAYA KRISHI SAMITY LTD.

Balance Sheet as on 30th June, 1954

Liabilities	Rs.	A.	P.	Assets	Rs.	A.	P.
1. Cash Share . .	13,316	10	9	1. Cash in hand . .	49	14	10
2. Land Share .	1,75,200	0	0	2. Value of Land . .	1,75,200	0	0
3. Temporary deposit .	2,316	12	0	3. Share in D. C. M. P. S. Ltd. . .	20	0	0
Deposit . . .	735	14	0	4. Tractor & Machineries	10,840	0	0
				5. Cultivation cost to be recouped . .	4,476	7	2
				6. Stock . .	411	5	0
				7. Cattle . . .	527	0	0
				8. Loss . . .	44	9	9
TOTAL . .	1,91,569	4	9	TOTAL . .	1,91,569	4	9

STATE: HYDERABAD

SOCIETY: THE COOPERATIVE TENANT FARMING SOCIETY

I. Introductory

Year of establishment—November, 1951.

Location—Village Malkapur, Distt. Nalgonda.

Audit classification—not yet audited.

Present number of members—135 share holders, actually however, about 220 persons work on the farm as many of the share holders employ their own servants for this purpose.

Number of members who have left since the inception—4.

Land held—3476 acres—of which only 2,000 acres are cultivable. The total cultivated area is about 1,100 acres. The land was taken on lease from a landlord on a yearly rent of Rs. 2,000. The entire land is in one block.

II. General and Economic conditions of the Village

The total area of the village is 11,526-27 acres. The total cultivated area is 6,599-26 acres. Of this only 135-14 acres is wet land. A small tank and about 30 wells are the chief sources of irrigation. An acre of dry land costs Rs. 30 to Rs. 50. Lands irrigated by wells and tanks cost Rs. 500 and Rs. 200 respectively. There are 500 cultivators in the village. Of these 220 cultivators are either members or are associated with the working of the society. The village has a school with three teachers and sixty students.

The total population of the village is about 2,500. Rice and jowar are the main crops. The village is about 24 miles from Hyderabad city and is about 40 miles from Nalgonda, the district headquarters. The villagers prefer to go to Hyderabad for their requirements.

A landlord was formerly holding the entire area under lease. He allowed the cattle belonging to the village to graze on the land for Rs. 2,000 per year since he left it fallow. He took the land on lease from the Rajah of Vallur for Rs. 1,500. The villagers who considered that they would profit by cultivating the land approached the Rajah and got the entire land on lease for cultivation at the rent of Rs. 2,000. This was done on the expiry of the tenure period of the former lease holder. For the first three years *i.e.* during 1950-53 the villagers cultivated the land and reaped the harvest.

But in the year 1953 the former lease holder disputed the right of the society, to hold the land as he was given a longer lease by the rightful owner of the land, the brother of the present Rajah. The dispute became more pronounced and the fortunes of the society began to fluctuate as the dispute got into the primary and appellate revenue courts with both a favourable and unfavourable verdict respectively. The present Minister for Education who had been asked to arbitrate, gave his judgement in favour of the society. The High Court is now entrusted with the entire case, and it appears that the police authorities have placed the property of the society under their custody.

It is reported that the former lease holder tried to start a new society which might compete with the present one. However the members of the society are determined to fight the case and make the society a success.

III. Rights in Land

The land is held in the name of the society. It had been leased out in 1950 on Rs. 2,000, by the Rajah of Vallur, who is the original owner. The society was expected to function with permanent rights.

The society had also acquired an area of 125 acres which was allotted by the Government to some refugees who have leased it to the society. Because of the difficulty in cultivating the existing area which itself is quite extensive any additional acquisition would be left for grazing purposes. As all the land had been fallow till now the efforts of the society were centred in clearing the forest area, removing stones and proceed with other developmental activities during the first two years. In fact they have planned to extend the cultivated area and repair the wells for irrigation. But they could not succeed in their schemes due to very costly litigation in which they are involved.

IV. Rights and Liabilities

The bye-laws of the society have been the same as those which have been framed by the Hyderabad Central Co-operative Union Ltd. These bye-laws specify the liabilities of members but nothing is mentioned about their rights.

There is no specific provision about the member putting in a minimum amount of labour. But the bye-law IV sub-section 4 (f) says that no person shall be a member unless "he agrees to cultivate the land allotted to him as tenant member in accordance with a plan laid down by the society, pays a fixed rent to the society for this holding and contributes labour for common good when required by the society".

In practice, however, there is no case of any member failing to work on the farm since, if he fails to attend work due to some reason or the other, he has to send a substitute to do his part of the work. In general each member works on the land allotted to him.

There are about fifty members who hold land outside the farm. Such occupant-cum-tenant members get their holdings in the society cultivated through a relative or a farm servant.

There is no mention in the bye-laws of the society regarding the rights of the members to take loans from any source. There is a provision that a member shall be removed from the society, if he is a persistent defaulter in respect of any of his obligations to the society, financial or otherwise. The liability of members shall be limited to 4 times the subscribed capital.

V. Organisation, Management and Functions

Some of the shareholders had been engaging their family members or some farmers for actual work on the farm. This is probably done with a view, to increase the shareholder's share of the produce, since at the end of the year the produce is equally divided between all workers on the farm. The shareholder pays the annual wage to the farm servant in order to compensate his efforts in the field, and retains the share of produce.

There is a rule that no man owning more than 30 acres of land should be admitted to the society. But it appears to be the general practice that even those holding more than 30 acres are becoming members after conveniently dividing the holding with other family members.

The entire cultivated area is divided into blocks of sixty acres each. Each block is allotted to ten members having ten ploughs. Thus the 220 members are divided into 22 groups. Each group has a leader entrusted with the task of getting the work done by the members. As all these workers share the produce equally with others they are considered as partners. The workers in the groups perform all agricultural operations—*i.e.* from preparation of land to harvesting.

Of the sixty acres of each block thirty acres are placed under jowar and millets, while castor is grown on the remaining thirty acres.

There is only one non-member working for the society, *i.e.* the Chowkidar whose family-members work as agricultural labourers. No land is given for any individual member for his exclusive use. The chowkidar checks up the work of the individual members and brings to the notice of the Secretary lapses, if any. There are three

chowkidars working during the cultivating seasons, *i.e.*, about six months. They cover the area of the farm and protect the farm from cattle, wild pigs, etc.

Eight members are elected to the Managing Committee. These committee members are free to supervise since they are represented on the farm by a substitute each. The President is a non-resident and represents the interests of the Inamdar. Besides him there is a Secretary and an Accountant. Both of them are working in an honorary capacity. The records and accounts are maintained by the Secretary and Accountant. The only paid member on the staff is the chowkidar. He is paid Rs. 25 which is likely to be revised to Rs. 20. The members cooperate in all operations including marketing. For example marketing of castor is done collectively right from the beginning. At times the members who get equal share in kind, join hands, engage a lorry and market the produce at Hyderabad. But this kind of cooperative marketing is not properly organised.

The Managing Committee meets at the beginning of each season and plans out its programmes in determining the area to be brought under plough, changing the pattern of groups etc.

The society did not get grants or loans from any official agency. Due to litigation the society had to borrow from all available sources. Fortunately however, some of the richer members have been advancing loans to fight out the cases with the hope of recovering the amount at a later date.

All members of the society have their own cattle and ploughs. They work in cooperation with the other members of the group. Each member gets his own share for sowing. No manures are applied to the land, as it was purely a virgin land kept fallow for a long time. As such it appears to be very fertile giving twice the quantity of produce obtained in the non-farm area.

Cooperation from the Agriculture Department in providing seed and manure is not very satisfactory. It is reported that the castor seed supplied by the department failed to germinate, resulting in the members losing confidence in the department.

The agricultural season covers about six months in a year. During this period the members of the society are busy and in the off-season the members take to cartage or cultivation of their own holdings. The society is making an attempt to repair all wells and sink new ones in order to keep all members busy throughout the year.

The society has its own Bank to store farm produce. This was set up with a view to help the members by advancing interest free loans. The members are given priority in this regard. In the case of non-member borrowers interest is charged at the rate of one seer per maund. Due to the litigation however the recurring stock of 135 maunds of grain in the Bank has been completed exhausted.

VI. Distribution of Income

After deducting one fourth of the total produce as income of the society, the produce that accrues to the society at the end of each season is equally divided between all workers. As might be seen, these 135 shareholders are among the 220 workers. Each worker, if he is a shareholder retains his share and gets the share of his farm servant or any other person who is employed by the shareholder. The farm servant gets 1½ maunds of paddy for every season.

The relationship of master and farm servant is thus carried to the field of cooperation and it is unfortunate that the authorities concerned have not attended to this. In fact, the farm servant who is also a worker on the farm is deprived of his share merely because he could not pay the share money to become a full-fledged member. To mitigate this evil it is necessary that either the members alone should be allowed to cultivate the land or the farm servants are also made shareholders.

In 1950-51 about 200 acres were developed to start with. In 1951-52 this area increased to 600 acres and in 1952-53 to 720 acres. But the litigation affected this activity and reduced the cultivated area to 500 acres only. Fresh reclamation had been made and this year about 900 acres are being put to plough.

VII. State Assistance

No State assistance was given to the society. The first year of the working of the society was encouraging and applications were made to the Government for loans. However all these efforts were upset due to litigation. The State charges one anna per rupee for Local Fund, as the land belongs to the Inamdar.

VIII. Finance

The only finance available for the society is the amount contributed by the members, which is about Rs. 1,350. The accounts of the society have not been audited, and hence no balance sheet is available. Other important records are also not available at present as they are required in the proceedings of the case.

IX. General

All members, the rank and file, appear to believe strongly in cooperative activity. Their ambitions are not high and they seem satisfied with the results they experienced in the initial three years. It must, however, be said that the bigger landlords are doing their best to utilise this opportunity to make maximum profit by resorting to undesirable practices such as employing a farm servant or a relative in order to draw the dividend without purchasing the necessary shares—a sort of proxy.

The yields of the crops were very encouraging and this had prompted the society to undertake increased area. While the local lands yield 1 to 1½ maunds of jowar per acre the same on the society's land was 3½ to 4 maunds per acre. Millets (Sajjalu) are produced at 2 maunds per acre on private holdings while the same on the society farm is 4 maunds per acre.

The encouragement which the society received may be well illustrated by the following figures:—

Year	Area	Produce	Crop
	Acres	(Maunds)	
1950-51 . . .	135	440	Millets (Sajjalu)
	65	220	Jowar
1951-52 . . .	135	800	Millets
	65	200	Jowar
	400	140	Castor
1952-53 . . .	400	2,400	Millets
	200	1,200	Jowar
	120	228	Castor
1953-54 . . .	150	976	Millets
	150	236	Jowar
	120	400	Castor
1954-55 . . .	400	800	Millets
	300	600	Jowar
	200	222	Castor

All members are determined to make a success of the co-operative activity they have undertaken. No member has any ground to complain because all their efforts are being concentrated in fighting out the case. Members have expressed satisfaction at the way the society is being run, despite the disadvantageous circumstances into which it has been dragged. They formed the society because they could get a vast area for cultivation and the possibility of getting assistance from different Governmental sources. The

chief advantage that they expected was increased production and income. It is only towards this end that they wanted to develop the land and repair the wells in order to convert dry land into wet. In this they have succeeded in a large measure and this prompted them to do more work and interest themselves in cooperative activity. To gear up agricultural activity and to place the society on a firm footing of prosperity, they desire that the Cooperative Department which is standing aloof should step in and give them assistance for renovation of wells and land improvement. There are no two opinions regarding the working of the society and the advantage accruing from it, though in the matter of advancing loans to fight the case for the society only the large size land holders could be in the fore.

STATE: MYSORE

SOCIETY:—HALAGANAHALLY DEPRESSED CLASS RESIDENTIAL AGRICULTURAL COOPERATIVE FARMING SOCIETY LTD.

I. Introductory

Year of establishment—September 1950.

Location— Halaganahally, Goribidnur Taluk, Distt. Kolar.

Audit Classification—'B'.

Present number of members—43 (All are active).

Land held—240 acres of Govt. land—of which 220 acres are brought under cultivation and 85 acres are irrigated through irrigation well with pumping sets. The society owns the entire land which is in one single block.

II. General and Economic conditions of the Village

The farm and the residential colony of the members of the society comprising a population of 208 persons is situated at a distance of one mile from the main village Halaganahally. As such this colony having 43 households has very limited contacts with the main village. Besides, out of these 43 members of the society, 28 were originally residents of the main village Halaganahally, while the rest are drawn from another nearby village 'Nagasandra'. All these 43 members are Harijans and the colony itself is to be treated as a separate village. Most of these members owned no lands in their original places of residence and were mainly agricultural labourers. The area has vast potentialities for lift irrigation as this is situated on the bed of a major river in the State. Electricity is supplied for irrigation as also for rural electrification purposes. The soil is highly fertile specially for ragi and paddy among food crops besides chillies, tobacco and sugarcane which are the commercial crops. The advent of irrigation through power driven pumpsets has brought in an era of prosperity for this area. The quality of chillies, tobacco and sugarcane grown in this area is considered to be very superior in so far as these obtain the highest prevailing market rate among the different varieties. The main village Halaganahally has got at least 20 irrigation pumpsets commanding an area of about 400 acres.

The entire land granted to this society is adjacent to the lands of the main village and before the inception of the society the entire block was full of date plantation. It is the present members of this society who cleared off the plantation, and brought the land

under plough. Even the two irrigation wells were sunk by the members with substantial assistance from the Government to instal pumping sets etc. It is said that the new shape and life given to the land is entirely due to the joint efforts of the present members (none of whom have left since then) who have toiled hard and are reaping well now, of course, with the fullest sympathy and assistance of the State Government, which initiated the scheme.

The major crops grown on the farm are ragi, paddy, jowar, groundnut, chillies and tobacco. Sugarcane and other millets like same, navane, are also grown to some extent. All the 43 members have constructed houses of mud, with a Government subvention of Rs. 300 for each house. A drinking water well has also been sunk, earth work on which was done by the members, while the Government assisted in stone construction. The nearest market centre for the farm is Goribidnur, the Taluk headquarters, situated at a distance of 6 miles.

III. Rights in Land

The entire land of the farm has been directly taken by the society from the government. Members have no proprietory rights in land.

IV. Rights and Liabilities of Members

No private holdings are pooled for purposes of co-operative farming as all the land is in the name of the society. Each member's liabilities are limited to the share amount he has put in the society. Each family is allowed to have only one share of Rs. 5 each. This is a departure from the bye-laws of the multi-purpose co-operative societies in which a single person can have upto 50 shares. This modification is intended to bring about equality in the distribution of dividend which is based on the share amount. Since the members have no proprietory rights on the land, generally they are not seeking loans or advances outside the society. Both cash and kind advances are issued to members by the society itself. All receipts and payments are taken and made by the society itself.

V. Organisation and Management

The entire land is managed as one farm for all agricultural operations. It is compulsory that every member is to participate in all the operations. A regular muster-roll is maintained wherein the presence or absence of a member is marked for every day's work on the basis of which he will earn his share of produce. There is no schematic allotment of work to individual members but the farm activities are chalked out, guided and supervised by the Secretary of the society who resides in the colony.

All the farm equipments such as bullocks, implements, machinery, etc., are maintained by the society. These are bought by the society out of the grants provided by the government for this purpose. But for purposes of convenience each family has been entrusted to take care of one bullock each, drawing upon the common resources of fodder etc., produced on the farm. There are 47 working bullocks on the farm at present.

The work is assigned to the individual members by the Secretary of the farm who is a paid official of the Government. The post of a paid Secretary exists since the inception of the society. The present Secretary whose services are lent to the co-operative department is a diploma holder in Agriculture and holds the rank of an Agricultural Inspector in the Agricultural Department. There are a variety of crops grown on the farm especially on the irrigated area and throughout the year there is full work for all members. No programme of work is chalked out for every day operations but the work is assigned according to the needs of the day. Since the Secretary lives amidst them, the practice of oral instructions to particular members to do particular jobs, is proving satisfactory.

All the members are to participate in the farming operations like ploughing, sowing etc. No member except the Secretary is assigned any supervisory work on the farm. The Secretary maintains all the accounts related to the farm and also make arrangements for the marketing of the produce grown on the farm. No non-members are allowed to work on the farm except the wives of the members.

There is a committee of Directors which is an elected body constituted from among the members. According to the modified byelaw, there can be only 5 Directors for this society. Elections are held every year. This committee of 5 Directors is to meet once in a month. The Secretary discusses subjects relating to the farm activities in these monthly meetings and resolutions are passed to that effect. Generally subjects like requesting for more government grants for particular purposes, the crop programmes, terms on which the produce can be sold etc., are discussed in these meetings and decisions are put in the form of resolutions. None of the Directors hold any office in the society. The Sub-Divisional Officer of the Chickballapur Sub-division is the Ex-officio President of this society while the Tehsildar of the taluk is designated as Ex-officio Vice-President. There is no manager but the Secretary does managerial work also. The Taluk Inspector of co-operative societies is also connected with the farm activities but it is more on the accounting and audit side. The administrative control of the farm rests with the Co-operative Department while the revenue department is the controlling authority of the finances etc., of the society

as all cash accounts are in the name of the ex-officio President. The Agricultural Department however has been in no way brought into the farm picture, except for lending one of its Inspectors to the Co-operative Department to act as Secretary of the farm. At higher levels, e.g. at the level of Assistant Director of Agriculture etc., excepting the casual visits to the farm no special interest is taken. It is felt desirable that the Agricultural Department should be more actively associated at all levels with farm activities especially on the technical side. The Secretary is the only person who is paid.

The Secretary being a technically qualified person, prepares a plan of cultivation for each year i.e. the area to be sown with different crops as also rotation of crops etc. This plan is to be approved by the committee of Directors and a resolution to that effect would be recorded in one of the monthly meetings. Food crops like ragi and paddy are grown on a larger area of the farm. Commercial crops like chillies, groundnuts, tobacco and sugarcane are also grown to a considerable extent.

All the cultivation expenses are borne by the society itself. The entire amount is in the form of grants and society has not taken any loans so far. The credit needs of individual members are met out of the society funds and this is for purely personal expenses and is limited to a maximum of Rs. 50 per member. The entire farm equipment like bullocks, farm carts, iron ploughs, are bought by the society out of the state grants provided in the initial stages. The repair and mainteance of the equipment is met out of the society funds. Seeds were brought in the first year only and the society keeps a reserve of seeds of each crop at the time of harvest. Improved and new varieties are bought by the society.

The major drawback in the farm is that of lack of adequate storage facilities. There is no independent building to run the business of the society, and all the records etc., are kept in a shed provided for the residence of the Secretary. During last year the Government has sanctioned a sum of Rs. 2,500 to construct a godown on the farm for storage purposes. The shed is yet to be constructed. During last season nearly 200 maunds of chillies were produced on the farm and as the then market rate was not encouraging the society had to store the stocks till it could get a higher price. Even now these stocks are there, stored in a very miserable and uneconomic way.

The marketing of the produce is mainly confined to commercial crops and even these are sold out after meeting the consumption requirements of all the members. Food crops are not grown in such abundance but even when there are limited surplus stocks after distribution to members, the society stocks these to meet any

unforeseen failure of crops in dry lands, etc. Generally the sale of produce is done on the farm itself to buyers of the neighbouring area. The society enters into a contract with any trader who offers the highest market price for the commodity and it is the responsibility of the buyer to take the goods from the farm. There is no easy access to the farm by way of a pucca road and it is considered that it would be expensive for the society to take the commodity outside the farm in the open market. It is learnt that care is usually taken to dispose of the goods at competitive rates. Every member, it appears, takes keen interest in keeping the society informed of the best available price for the commodity at a given time. This is quite natural, as every one is interested to get the maximum out-put from each crop which would give a higher share for each member.

VI. Distribution of Income

The entire produce grown on the farm is owned by the society. From the gross produce of the farm, deductions for payments made towards purchase of seeds, manures, purchase and mainteance of equipment etc., are made. Enough provision towards Reserve Fund to be kept by the society, and a margin of profit to the society are also made but not in strict proportions as prescribed in the by-laws. Perhaps at present the Secretary uses his discretion and makes provision for these funds mainly on the basis of the total produce obtained in a particular year. After making provision for all these above items, the net produce would be divided by the total number of days work performed by all the members, their families and one bullock during the particular year. A muster-roll is maintained wherein the presence or absence of a particular member for work is recorded during the year. Besides, the work done by his wife and bullock (bullock given to him by the society for maintenance) is also similarly recorded. The number of days of work put-forth by all the individual members in a year are totalled up and the net produce is divided by these total number of days. There is another very significant convention that is followed with regard to the quantum of work that each family can render on the farm, which is not yet incorporated in the by-laws. The practice is that from each household only one adult male member, one adult female member, and one bullock are allowed to work on the farm. This is to serve two purposes: (1) To prevent excessive concentration of earning members in a single family. (2) This practice is considered to promote equal distribution of produce among all the families existing on the farm at present. Children might assist the parents in sundries but it is not taken into account. Work performed by women and bullocks is not converted into standard man days of work, as is done in some other similar farms in the State, for calculation of

wage rate per man day. All the work turned out by men, women and bullocks are totalled up for each day against each family and this in turn is totalled up for each month and each year. Hence at the end of the year each family will have performed between 300 to 750 days of work per year. The net produce divided by such days of work would give the combination wage rate for the farm for that year. Thus during 1951-52 such wage rate has worked out to be Rs. 0-12-0 a day and in the subsequent year it rose to 15 as. 6 pies per day. The wage rate of the latest year is as much as Rs. 1-5-0 per day and this consolidated wage rate is definitely more than the customary wage rate paid in the area. All the food crops are distributed in kind and the calculations are based on the wage rate per day. The valuation of the produce is done, and produce of the value of the work done for the year, by each family is distributed. Receipts obtained through the sale of commercial crops are distributed in cash. All payments made to the members throughout the year, as and when crops are raised, are treated as cash or kind advances, and the final share of each member is assessed and accounted, only at the end of the financial year and balances are settled.

An increase or reduction of wages according to the quality of work done is not in vogue. The only person who is to supervise the work *i.e., the* Secretary finds it difficult to effectively supervise the work of all the members, though he supervises personally at least a few operations every day. Complaints from some individual members, seem to have been common in recent years and the nature of these are "that so and so simply pretends working and does not put-forth substantial labour etc.," But this has not been remedied effectively. The Secretary, it seems, has put forth such problem before general body meetings and also before the monthly meetings of the Directors and the suggestion was either to treat such days as absence from work or reduce it to half day work etc. But the difficulty experienced is in judging whether a complaint is genuine or made out of sheer prejudice against a particular member. This aspect seems to have promoted a strong feeling among the majority of members to urge for the distribution of the entire land into individual plots assigned to each family for cultivation. Of course, they are careful enough not to press for proprietory rights but the only plea they put-forth is better quality of work, and better care of the crop resulting in increased production. This urge is getting more and more strengthened and is being put-forth to every government officer who visits the farm. But, the concerned department does not seem to pay heed to this request. Once the land is distributed into individual holdings the principles of co-operation, collective work, etc., are bound to vanish and on the other hand it is likely that once the plots are assigned, the members will urge for proprietory rights

also in course of time. This can therefore be remedied by means of expelling members who refuse to believe in this type of farming, and also by occasional reductions in work days in genuine instances of indifference. To achieve higher yields of crops it is desirable that the farm is divided into blocks both in dry and wet lands and should be assigned to groups of members for intensive cultivation. This might reduce the present urge of members for division of land into plots as their desire will have been partially achieved to some extent. The area of operations will have been reduced at-least for groups.

Dividend is paid to members out of the net profits obtained and this is based on the share amount put in by each member. In this case each member has put in only one share of Re. 1/- and the dividend would be equal to 6¼% rate of interest on this amount.

Proportion of income set aside for productive investment, distress etc.—Provision for this has been made in the bye-laws. For instance, it is prescribed that about 25% of the net profits are to be kept as reserve fund to meet unforeseen loss, etc. Another 15 per cent. is to be set apart for charity fund which is to be utilised for public utilities like education, health etc., Besides, for implements, bad debt and building funds 5 per cent. each are set apart. But these several proportions fixed are not strictly adhered to by this society. The Secretary could not explain the reasons for this as he being newly posted to this farm is simply following the procedure set by his predecessor which is based on the total produce grown on the farm. At least in the audit, the importance of such necessary practices will have to be brought out in order to ensure the stability of society.

VII. State Assistance

The State Government has financed this co-operative farm (for the entire period after its inception) through grants to the tune of Rs. 46,400. The major amount, out of these was granted to the society in the first two years when the work had to be initiated. During the year 1953 no grants were given while during 1954-55 a sum of Rs. 2,500 has been granted for the construction of a storage house for the society. No loans of any type are provided and the entire amount is treated as subsidy. The details of amount sanctioned are as follows:

(*a*) Food bonus grant	25,00
(*b*) Grants from rural water supply fund	3,000
(*c*) Rural health and sanitation fund	3,000
(*d*) Grants from depressed class amelioration fund	12,900
(*e*) Rural development grants	2,500

Item (a) has been utilised to meet the following expenses:—

(1) Establishment charges on account of the paid staff.

(2) Purchase of livestock, implements and other farm equipment. Also some amount has been utilised out of this to sink irrigation wells and install pumping-sets, etc.,

(3) Purchase of rations etc., during the first year when members had to be settled on the farm.

Item (d) has been utilised for construction of houses for members. Rs. 300 were granted to each individual family to construct a pucca house.

Item (e) is unspent so far as the construction of the storage house has not been taken up. As the above details indicate, but for the assistance from the State Government, this farm could not have been developed so rapidly. The farm has attained a position of self-sufficiency at present and is even making profits.

No concession has been given in land revenue, or any other cesses. Assessment is the same as done for similar lands in the area.

Technical assistance for farm operations is mainly that of the Secretary himself who is a diploma holder in Agriculture. Supply of seeds, fertilisers, etc., are obtained through the Range Agricultural depot and the Multi-purpose Co-operative Society of the taluk. Cultivation practices in the area are well improved and are carried on an intensive basis. The Secretary is kept informed about the current research and improvements through periodical journals published by the Agricultural department and this knowledge is utilised for farm operations. Advice on technical matters from a higher level comes-forth from the Assistant Director of Agriculture who occasionally visits the farm. As stated earlier these visits are just casual ones and not prescribed as part of his official duties. There is need for closer association of the Agricultural Department in the farm activities on technical matters. No machinery is being used on the farm except the running of two power driven irrigation pump-sets which are operated by two members of the society itself. Tractors etc., are not used on the farm due to the difficulties in obtaining these in time. Moreover the extent of the farm is not big enough to make their use quite economical. Besides, manual labour is felt to be adequate to carry out the operations.

For the first three years after the inception of the farm the Secretary's pay and other establishment charges were met out of the government grants provided, and after the third year these expenses are met out of the funds of the society.

The problem of consolidation did not arise here because this was a single stretch of land, full of date plantation and was cleared off by the members themselves and was made fit for cultivation.

VIII. Finance

The latest balance sheet of the society is available for the year 1954. (Page 210). As on 30th June 1954 the liabilities of the society stood as below:—

	Rs.		
1. Paid up share capital by members including share fees, suspense etc.	235	8	0
2. Given as subsidy by Government	43,900	0	0
3. Reserve fund	615	2	9
4. Other funds	1,800	0	0
5. Undistributed produce	5,501	15	0
6. Net profits for 1953-54	2,837	5	9

On the assets side the society had a cash balance in the savings bank account, current deposit in taluk society, cash in hand, etc., to a tune of Rs. 5,096-6-0. Among other assets the value of only 4 pairs of livestock are taken while those which were bought and distributed to individual members are shown in item 13 on the assets side in the form of loans to members. Interest is charged on this amount. Of the other items of assets, items 6 and 7 relate to farm equipment on which depreciation has been calculated. Even on item 5 relating to value of livestock, depreciation has been shown. But on items 11 and 12 on the assets side also, depreciation charges should have been deducted as all these are liable to wear out from year to year. If this had been done the assets side would have fallen short of the liabilities and hence a balance could not have been achieved. In that case the net profits would have been reduced to some extent. The balance sheet does not represent the correct position of affairs due to some of these defects and in order to appraise the true position of the transactions of the society the audit, should be more rigid and pointed, indicating measures for improvement.

IX. Development

Reclamation.—As already described in earlier paragraph, the entire land of the farm given to the society was covered with date plantation. The sole initiative to convert this area into cultivable land came from the Government with substantial assistance. Selection of landless Harijan families from among the Harijans of neighbouring villages, etc., was done by the Government. Then mem-

bers who were thus selected to be settled in the colony were entrusted with the task of clearing off the plantation, for the completion of which nearly the first two years were spent. During this period when no crops could possibly be raised the members were actually supplied with free rations from Government grants.

Irrigation.—Once the land was brought under plough, attempts to provide irrigation facilities also were made by the society. First in 1951, the members did all the earth work on one irrigation well, while the stone construction, and installation of pumping set etc., was completed by the society from the Government grants made available. The area has vast potentialities for development of irrigation and within a depth of 25-30 feet rich water source can be tapped all over the area. The electricity was also available in all the nearby villages and there was the least difficulty in getting this facility to the farm. Another irrigation well was sunk after one year, and the entire cost of construction, installation of the pump-set etc., has been met out of Government grants. Both these irrigation wells with 20 H.P. capacity motors are irrigating 85 acres of land. This is an important factor that has filled the members with confidence and hope to work on this farm, which is situated in a low rainfall area, where dry land cultivation holds no hope of even a single meal for many a cultivator families, mainly depending upon such cultivation. The total amount spent on food provisions for the use of members during the period of land reclamation approximately amounts to Rs. 10,000 while the total amount spent on construction of irrigation wells, pump houses, motors etc., amounts to a sum little more than Rs. 12,000. These are the two most important land improvement measures that the society has undertaken after its inception.

No mechanisation of agricultural operations has been undertaken till now.

The society has not set up any processing or subsidiary industries. But there are a few crafts which the members were well-versed with, even before joining the society and these are continued by some of the members even now. These are mat-weaving, spinning and weaving of cloth, and manufacture of shoes. The first of these is mostly done by women who attend to this in their leisure hours. Spinning and weaving are done by both men and women. In all about 15 households are engaged in all these crafts. These products are generally sold within their colony, mostly for outsiders, or some times the women go out to sell them in the neighbouring villages. The society, however, has not taken any steps so far, to further these subsidiary industries due to a number of agricultural operations throughout the year.

The society does not undertake any marketing except selling the produce of the farm to outside buyers. All the other consumption articles like kerosene, matches, cloth, etc., needed for the daily use of members are bought by members from private shops of nearby villages.

After the inception of the society and the settling down of members on the farm, the need for a drinking water well in the midst of the colony itself was keenly felt. Till then drinking water was obtained from one of the nearer irrigation wells situated about 2 furlongs from the colony. The society persuaded the members to complete the earth work on sinking the well, after which Government grants were obtained for stone construction. About Rs. 2,500 have been sanctioned by the Government as grants towards the cost of construction. Similarly a cattle shed, and a store-room with thatched roof are also built by the members on a collective basis. At present the members are at work in constructing a shed to house the community hall, which is to be used both for the primary school and for conducting meetings etc. The biggest drawback of the farm is lack of an approach road into the farm from the neighbouring villages. There are cart-tracks but these become non-negotiable during rainy season, and there does not seem to be any immediate proposal to remedy this. A godown for which a sum of Rs. 2,500 has been sanctioned by the Government during last year, is still to be constructed.

Among the other social activities, it is said that twice in a week Bhajans are recited by all members on every Tuesday and Saturday. For two successive years *i.e.* during 1953 and 1954 one of the literate persons conducted adult literacy classes. The Adult Literacy Council provided free slates and books but did not pay any remuneration to the teacher. The primary school is also being run by the society itself. At present there are 22 children attending this school. Nothing has been provided by the society for medical relief but the members have easy access to medical facilities within a distance of 2 miles from their colony.

X. General

According to the high officials of the Co-operative Department, as also those of Agricultural Department (latter not so much connected with the affairs of the farm officially but who are aware of the working), perhaps this is the best run co-operative farming society in the State out of all the existing ones. The members of the society also appeared to be gratified for the State assistance in providing them shelter and food on the farm. But so far as efficiency in agricultural operations is concerned it cannot be said that standards are higher on the farm than on neighbouring private hold-

ings. The main reasons for this are: (1) The farm land is brought under cultivation only recently and it requires a few more years, before it can be brought at par with other lands outside the farm, which are being cultivated for the past several hundreds of years.

(2) The entire taluk is known for highly intensive type of cultivation particularly of crops like chillies, groundnut, tobacco and sugarcane and the standards of agricultural improvement are well developed on the private holdings. In this respect also the farm lags behind due to its recent origin.

(3) The efficiency in operation on the farm land cannot equal the efficiency of operations on private holdings, as lack of personal interest on the farm activities emerging out of lack of proprietory rights on land, has already set in among the members.

The rotation of crops is a matter of necessity in the area especially in irrigated cultivation. The rotation of crops that is normally practised in the area is also practised on the farm. There is some sort of planning of the crops which is done by the Secretary but it appears, there is further scope for improvement. The areas selected to be sown with different crops do not seem to have been systematically chosen keeping in view the type and fertility of the soil. Better technical knowledge is to be provided from time to time. Also the basis on which the acreage to be covered by each type of food and commercial crop is fixed was not clearly explained. This indicates, that proper assessment of the basic requirements of food, etc., of the members has not been done before crops are raised. As a result, it is likely that there would be excess of produce especially on the food articles which might very well be sold out. Attempts to grow fruits are made and a small plantain garden has been raised. Vegetable cultivation can also be brought into vogue on the farm on a commercial basis.

But in the overall picture, the society which began almost from scrap has attained a position of self-sufficiency within a very short period. The value of yield from the farm in three years has shown remarkable improvement as can be seen below:—

	Total value of farm output Rs.
1951-52	10,898
1952-53	21,461
1953-54	32,998

These figures are quite significant and the net profits of the society have also trebled within these three years. It was about Rs. 900 and odd during 1951-52 whereas it was more than Rs. 2,800 by 1953-54. Thus the finances of the society are also getting stabilised.

(2) As regards yield per acre of different crops, the averages are not in anyway higher than those obtained under similar soil and irrigation in the adjacent area. For instance on an average about 500 pounds of ragi per acre is the average yield on the farm, whereas under similar conditions outside the farm, it is about 600 pounds per acre. The latest paddy crop seems to have almost equalled the average rate of yields per acre obtained outside. The yield of chillies and tobacco are still a little lower than the average outside the farm, but these crops require heavy manuring, and more efficient and periodic supervision, than what it is on this farm.

The members of the society think that their economic condition has improved by **more than 100 per cent. as compared** to their original conditions. Their major problems of food, clothing and shelter have been fully solved and they look cheerful and happy. They also consider the society to be working successfully. But now that they have attained a comparatively decent and stable life, their anxiety to obtain at least some rights on the lands they cultivate, seems to be all the more on the increase in recent years.

Sl. No.	Liabilities	Amount Rs. A. P.	Amount Rs. A. P.
1.	Share and admission fee		16 8 0
2.	Paid-up share capital		215 0 9
3.	Share suspense		4 0 0
4.	Food bonus grants Less establishment expenses upto 15-2-1954	25,000 0 0 5,740 13 3	19,259 2 9
5.	Grants from Depressed Class Amelioration Fund		12,900 0 0
6.	Grants from Rural water supply fund		3,000 0 0
7.	Grants from Rural Health and Sanitation Fund		3,000 0 0
8.	Excess cash refundable to Sri A. N. Mariyappa		1 0 0
9.	Reserve Fund		614 2 9
10.	Secretary's quarters construction fund		500 0 0
11.	Third well construction fund		1,300 0 0
12.	Members share of cash realisation to be distributed		4,941 15 0
13.	Members share of chillies to be distributed		560 0 0
	Net profits for 1953-54		2,837 5 0
	TOTAL		49,149 2 3

STATEMENT I

Balance Sheet as on 30th June, 1954

Sl. No.	Assets	Amount	
		Rs. A. P.	Rs. A. P.
1.	Cash on hand		114 2 0
2.	Cash in Savings Bank Treasury		3,827 4 0
3.	Current deposit at Taluk M.P.C.S.		1,145 0 0
4.	Share in taluk M.P.C.S.		10 0 0
5.	Value of live-stocks (four pairs) Less depreciation	2,901 0 0 901 0 0	2,000 0 0
6.	Value of two carts Less depreciation	760 0 0 260 0 0	500 0 0
7.	Value of tools Less depreciation	352 9 0 252 9 0	100 0 0
8.	Electrical deposits		133 4 0
9.	Value of stocks as on 30-6-1954		8,440 0 0
10.	Value of 2 electrical motors Less depreciation	5,405 2 3 1,900 0 0	3,505 2 3
11.	Value of two wells and 2 pump houses		6,764 3 3
12.	Value of 43 houses for members		12,573 2 9
13.	Loans due from members : Advances due from members	6,905 0 0 2,627 0 0	9,532 0 0
14.	Groundnut sale amount to be recovered from Sri S. A. Aswathareddy		400 0 0
15.	Cost of school shed		78 0 0
16.	Value of Bee-hive boxes		27 0 0
	TOTAL		49,149 2 3

STATEMENT II

Profit and Loss account for 1953-54

Sl. No.	Loss	Amount Rs. A. P.	Profit		Amount Rs. A. P.
1.	Establishment charges	633 12 0			
2.	Contingencies . .	24 7 0			
3.	Electrical charges .	672 0 0			
4.	Miscellaneous charges .	217 6 0			
5.	Seeds and manures . .	1,259 13 0			
6.	Kerosine oil . .	12 0 0	1. Poultry receipts . .		5 11 0
7.	Postage . . .	14 8 9	2. Produce grown account		5,400 14 6
8.	Books and registers .	6 3 0	3. Stock of :		
9.	Implements . .	5 14 6	(*i*) seeds:	1,160	
			(*ii*) chillies:	6,480	8,440 0 0
			(*iii*) Straw :	800	
10.	Revenue assessment .	163 0 3			
11.	Cement . . .	9 3 9			
12.	Cart repairs . .	30 5 0			
13.	Pump repairs . .	22 0 0			
14.	Greece . . .	19 13 0			
15.	News papers, Adult Literacy Library books	30 8 0			
16.	Typing charges . .	4 0 0			
17.	G. M. Expenses . .	21 12 0			
18.	Last year's produce distributed . . .	850 12 0			
19.	Members shares of cash distributed . .	4,941 15 0			
20.	Members shares of chillies . . .	560 0 0			
21.	Depreciation on bullocks . . .	301 0 0			
22.	Do. carts .	110 0 0			
23.	Do. tools . .	98 13 9			
24.	Do. Motor & Pumps	1,000 0 0			
		11,009 3 9			
	Net profits for 1953-54	2,837 5 9			
	TOTAL	13,846 9 6	TOTAL . .		13,846 9 6

STATEMENT IIA

Receipts and payments for the year 1953-54

Sl. No.	Receipts	Amount Rs.	Sl. No.	Payments	Amount Rs.
1.	Poultry receipts	23 11 0	1.	Establishment charges	2,065 13 0
2.	Sale of tobacco leaves	1,741 7 6	2.	Purchase of seeds	364 7 6
3.	Sale of groundnuts	527 10 0	3.	Purchase of manures	895 5 6
4.	Do. chillies	4,000 0 0	4.	Electrical charges	672 0 0
5.	S. B. withdrawals	4,770 0 0	5.	Miscellaneous charges	217 6 3
6.	Withdrawals from Taluk M.P.C.S. current deposit	4,655 0 0	6.	Kerosene oil for night watch	12 0 0
7.	Recovery advance from members	345 0 0	7.	Postage	14 8 9
8.	Suspense deposits from Taluk M.P.C.S.	56 0 0	8.	Books and registers	6 3 0
			9.	Implements	5 14 6
		16,118 12 6	10.	Revenue assessment paid	163 0 3
	Opening balance	24 10 6	11.	Cash distribution to members	868 3 0
			12.	S. B. deposits	3,000 0 0
			13.	Taluk M.P.C.S. current deposit	5,200 0 0
			14.	Advance to members	1,272 0 0
			15.	Construction of houses under D. C. fund	985 0 0
			16.	Purchase of cement	9 3 9
			17.	Cart repairs	30 5 0
			18.	Pump repairs	22 0 0
			19.	Purchase of greese	19 13 0
			20.	News paper and Adult Literacy Library books	30 8 0
			21.	Purchase of beehive box	27 0 0
			22.	Dividend distributed	26 14 0
			23.	Taluk M.P.C.S. suspense deposit paid	56 0 0
			24.	Typing charges	4 0 0
			25.	G. M. Expenses	37 4 6
			26.	Contingencies	24 7 0
					16,029 5 0
				Closing balance	114 2 0
	TOTAL	16,143 7 0		TOTAL	16,143 7 0

I

STATE: MYSORE

SOCIETY: VALLABHAPARA CO-OPERATIVE FARMING SOCIETY, THALIKATTE KAVAL CHITLDROOG DISTRICT

I. INTRDUCTORY

Year of establishment .	Although the society was formed in 1949, it was registered in June, 1950.
Location . . .	It is situated near Thalikatte Amrithmahal Kaval about 11 miles away from Holalkar town in Chitldroog District.
Audit classification .	'B'
Present number of members	63
Land held . . .	762 acres and 32 gunthas is the area held by the society The entire land which is in one block belonged to Government and was sanctioned to the society for purposes of Co-operative farming. Society's rights in land have not yet been defined. There is no source of irrigation to the farm and the entire area is under dry cultivation.

II. GENERAL AND ECONOMIC CONDITIONS OF THE VILLAGE

The lands granted to this society are situated at a distance of 2 miles from the main village Thalikatte which has a population of 2116 persons, and a cultivated area of 1,989 acres and 23 gunthas. Originally, the lands granted to this society belonged to the State government. Part of this was pasture land while nearly 500 acres of it were cultivated by the villagers of Thalikatte on a contract of lease between the villagers cultivating this land, and the government. The terms of the contract were that per acre of land cultivated a quantity of about 50 seers (or about 100 lbs.) of horsegram had to be given to the government by the cultivators. This horsegram thus collected was utilised by the government to feed the cattle that were maintained on part of this farm land which was pasture. It was on this farm, and similar others situated round about, that the well known type of cattle belonging to 'Amrithmahal breed' were being reared under government management. In course of time, the government gave up the idea of cattle farm on these lands as these breeding centres were shifted to some other places in the District. Then, it seems, there was an urge on the part of those who were cultivating these lands, to settle there permanently. But the Co-operative Department intervened at this stage and thought of allotting this land to landless and small cultivators to be developed on co-operative lines. Accordingly, the Department took initiative, in starting societies in all such areas and in the year 1950 three such societies (including this) were started in this taluk.

The 63 families that are settled on this farm under study belong to different castes and are drawn from various neighbouring villages. The majority of these families (about 50 of them) belong to the village Thalikatte. Of these 50 families, 25 belong to 'Kuruba' caste (Shepherds) and the other 25 belong to 'Nayaks' who were originally cow-herds. Apart from these 50, 4 Harijan families also belong to Thalikatte village. Among the other 9 families, 3 of them belong to three different nearby villages while the remaining six families who are Lingayats by caste are new-comers from 'Shive-gangs' a fairly distant place from the farm. So much so that all the major castes are represented on the farm. As the colony is situated at a distance of about two miles from Thalikatte its social contacts with this village are said to be poor.

The housing condition of these families is very poor inasmuch as all are living in huts. No assistance is given to them by the government to improve housing conditions.

The land is said to be highly fertile and is known as the famous black cotton soil. Major food crops grown in the area are jowar, ragi and horsegram, while the important commercial crops are cotton, groundnut, sesamum, and chillies to some extent. A variety of paddy suited to dry lands is also grown to some extent, under rain fed conditions. The entire area is under dry cultivation and practically no irrigation facilities exist. Rainfall also is comparatively low and ranges between 20—25″ per annum. The area cannot be said to be economically prosperous as agriculture is mainly dependent upon rainfall.

The selection of families for this farm was done by the grovernment and it is said mainly persons with small cultivation holdings or no holdings at all were selected. But enquiries from knowledgeable sources reveal that this is not entirely true as some well-to-do farmers owning 10 to 20 acres of land (who were influential and were also cultivating these lands originally on lease) were also allowed to become members. This, it is said, had to be done so as to check the disruptive tendencies that these members were likely to bring up if not allowed to join the society. Anyway, such persons are very few and the majority of those who joined the society, either had no lands or had very small holdings.

This farm is situated in the interior and a cart track of at least 5-6 miles is to be covered, taking a deviation at a distance of about 5 miles away from Holakere town on the main road between Chitldroog and Shimoga. The colony looks an isolated place and the nearest marketing centre is 'Thalikatte.'

III. RIGHTS IN LAND

The entire land has been given directly to the society by the government. The grant was made to the society with several conditions prescribed in the bye-laws. The government has the right to take away entirely or part of the land granted with or without compensation in case the lands are needed for public or mining purposes, or when the government feels that the scheme has been a failure, etc. Also the government has not granted any powers of alienation of lands, mortgage, etc., to the society. It is specified in the bye-laws that the cultivation should be carried out collectively by the members of the society and the undefined interest in land would be inherited by the heirs and successors of the original members of the family with no powers to demand partition. The total area granted by the government at the inception of this society was 862 acres and 32 gunthas. But during 1953-54 the government took away 100 acres out of this area for distribution among political sufferers.

IV. RIGHTS AND LIABILITIES OF MEMBERS

According to the bye-laws specially framed to suit the needs of these farming societies, the liabilities of members are limited only to the share amount contributed by them. Each share is of the value of Rs. 10. The bye-law prescribes only one share for each family and no member is permitted to withdraw his share at any time.

It is compulsory for every member to build his own house and reside on the farm without which he will not be entitled to participate in farming. Also every family should own a pair of bullocks at their own cost. It is mainly due to non-fulfilment of these conditions that about 16 members have been expelled from this society uptil now. Every member is required to participate in all the farming operations. Some of the members own lands outside the farm. But the society has not maintained any records indicating the extent of such lands owned by members outside the farm. It appears, similar holdings owned by them outside would be in the name of their brothers, father, etc., while those settling on the farm are considered to be possessing no lands. Nevertheless this farm is not a joint farm where private holdings are pooled. Generally members do not seek loans outside the society as their credit requirements are met by the society in the form of cash and kind advances.

V. ORGANISATION AND MANAGEMENT

There is an Executive Committee which is constituted from among the members by election. This committee consists of 12 Directors out of which one is *Ex-officio* Director who is the Tehsildar of the Taluk The President of this committee is the Sub-Division Officer, and the Secretary may be treated as the Manager of the farm. The Secretary

of the farm is of the rank of an Agricultural Inspector and is a technically qualified man. He assigns work among members according to the needs of the day during the season. The work of supervision of the farm activities is also done by him. In the initial stages the supervision work was assigned to some of the directors also whose supervisory work was considered as a day's work. But of late this practice has been given up as per the decisions taken by the Executive Committee in one of its meetings as considerable opposition came forth for such exemption. The Secretary and the Clerk are the only two members who are the paid staff of the society. The Executive Committee meets once in a month, discusses several activities of the farm and arrives at decisions on matters like approving crop plans, reviewing farm activities, taking note of member's grievances, taking disciplinary action against members who do not conform to the rules etc.

The entire land is managed as one farm for all agricultural operations and members are employed on wage basis by allotment of work to each member. All the major farm equipments such as bullocks, implements etc., are maintained by the members themselves. The society also owns implements and other equipments like bullock-carts. There are 8 improved ploughs and one bullock-cart at present owned by the society. These are commonly used by all members in addition to their own equipments.

The farm is not divided into blocks or plots but it is understood that for purposes of convenience the farm has been divided (unofficially) into individual plots of 10—12 acres each and the plots have been assigned for cultivation to individual members. This has been done very recently and without any departmental sanction. So this is purely an unofficial arrangement done by the Secretary.

All the members participate in all the farming operations. Members are not assigned with any supervisory, marketing or accounting work. For purposes of the maintenance of accounts etc, a local person has been employed by the society on a pay of Rs. 10 per month. He does not belong to any family of the members but he is a full time employee of the society residing at the farm. This post is in addition to that of the Secretary. No member is allowed to have any land for his exclusive or personal use excepting that portion of about 20 acres which has been allotted by the society for residential purposes.

The Secretary prepares a crop plan for the entire farm with the areas assigned for each crop and submits it for the approval of the committee. This plan is discussed at the monthly meeting of the committee and after revisions and modifications adopted by it, a resolution is passed to this effect.

The society purchases all the requirements of the farm like seeds, manures and other minor implements. For other equipments like bullocks, carts, etc., it is the members' own look-out to maintain these and the society issues cash advances to members upto maximum of Rs. 50 only, to buy these. Sometimes the society itself would buy some of these requirements on credit from the agricultural depot at the Taluk or from the Multi-Purpose Cooperative Society. The marketing of produce is undertaken by the society itself in open market at competitive rates. Generally, the selling of produce like cotton etc., is done at 'Chitldroog' (the District Headquarters) where it can fetch high price.

VI. DISTRIBUTION OF INCOME

The distribution of income is on wage rate basis. Wages are paid both in cash and kind. Wages are calculated on the total number of work days performed by each member and his family. An adult male's work for 8 hours is considered as one man-day. The work performed by women and bullocks are converted into man-days on the following lines and total for each family calculated. One women's work for a day of 8 hours is considered equal to 2/3rd man-day. Work performed by a pair of bullocks for 8 hours a day is considered to be equal to 2 man-days. Work performed by children below 12 years is considered to be equal to half man-day. There is no restriction about the number of persons who can work on the farm from each family.

Out of the total farm produce, 1/3rd is kept for reserves, and meeting cultivation expenses, etc. The remaining 2/3rd is divided by the total number of man-days put-forth by all the members and this provides the wage rate per day. The wage rates paid by the society per man-day during the last 5 years is as follows:—

	Rs.	A.	P.
1950-51	0	10	0
1951-52	0	10	0
1952-53	0	12	0
1953-54	1	2	0
1954-55	1	4	0

The customary wage rate in the area is As. 0-12-0 per man-day of about 8 hours. As per details above, during three years the wage rate paid on the farm has fallen below the customary level, while it was equal in one year, and much higher during the latest year. However, the wage rate is not fixed by the society regardless of the value of produce grown on the farm. On the other hand, it is just the rate assessed on the total farm produce (minus expenses etc.) which varies from year to year. As at present, no increase or reduction in the wages according to the quality of work is done. It is experienced

that it is not possible for a single Secretary to be vigilant on all the operations conducted on the farm during a day. No special payment is made for work like supervision etc., as no member is entrusted with any work of that type.

Dividend is paid only on the share amount contributed by members at a rate of 6¼ per cent. Bonus is also paid to members and to the paid staff out of the net profits earned by the society during each year. The basis of distribution of bonus to members is also on the total number of work-days performed by each member during a year, whereas the bonus paid to the staff shall not exceed a sum equal to a month's salary of the member subject, of course to the discretion of the general body. The bonus paid to members so far has worked out to be about 6 pies per work-day. These two kinds of payments to members, *i.e.*, dividend and bonus are over and above the wages paid.

According to bye-laws framed for these special types of societies the following percentages are prescribed to be set aside out of the net profits for purposes specified therein:

(1) 25 per cent. of the net profits are to be set aside as a 'reserve fund' to be utilised for unforeseen expenses of the society.

(2) A sum not exceeding 15 per cent. of the net profits are to be set aside as 'common good' or charity fund which is to be utilised on public utilities like education, health, etc.

(3) 5 per cent. of the net profits is to be set apart as 'implements' fund.

(4) Another 5 per cent. to be set apart as 'bad debt' fund.

(5) Still another 5 per cent. to be set apart as 'building fund' to be utilised for construction of buildings etc.

The remaining 45 per cent. of the net profits are to be utilised for purposes of distribution of dividend and bonus to members on the basis stated earlier. An examination of the records maintained by the society as also personal discussions with the officials concerned reveal that the proportions as prescribed above are being adhered to strictly.

VII STATE ASSISTANCE

The total amount of grants by the government since the inception of the society amounts to about Rs. 10,500 only. The entire amount has been in the form of subsidy, grants, subventions, etc., and no loans are granted to the society. Of this total, the major amount was granted during the first year after the inception of the society while during the past three years only Rs. 1,000 has been

granted in the form of subvention. The details of grants under several heads with the specified purposes are as below:—

(1) *Government Subsidy.*—Rs. 1,029-5-0 to meet establishment charges and other contingent expenditure in the initial stages.

(2) *Food Bonus grants.*—Rs. 514-8-0 for purchase of seeds, manures, etc.

(3) *Rural Development grants.*—Rs. 2,000-0-0 for purposes like construction of buildings, purchase of equipments, etc.

(4) *Rural welfare grants.*—Rs. 5,306-0-0 for purposes of sinking a drinking water well assisting members for the purchase of livestock, meeting establishment charges, etc.

(5) *Depressed class amelioration grants.*—Rs. 700 to be given to 'Harijan' members only for construction of houses.

(6) *Subvention.*—Rs. 1,000 for the purpose of construction of a cattle-shed.

Excepting item (6) which was granted during 1954-55 all the rest of the items were sanctioned during 1950-51. Items 3 and 6 are still wholly unspent while out of item 4 about Rs. 2,000 are not spent. Grants provided under other items are fully spent for the specified purpose. The major amount spent out of the government grants is on establishment, construction of a shed for storage purposes, and purchase of equipment like implements, etc. Financial assistance of the government to this society (as compared to the other similar societies in the area) is considered to be the least. No land revenue has been charged on the farm so far and according to the bye-law it is stated that for the first five years there should be no assessment on these lands and after this period the lands are to be taxed according to existing rules of the government. This is the 5th year after the inception and from next year onwards land revenue may be assessed on these lands.

Excepting that of the Secretary no other assistance in the form of technical assistance is forthcoming. The Taluk Range Agricultural Inspector and the District Agricultural Officer, also make occasional visits to the farm but it is said that the Agricultural Department is not officially connected with the farm activities. It is felt that closer association of this Department would prove more beneficial. Supply of seeds, manures, implements, etc. are obtained through the Taluk Agricultural depot and Multi-purpose Co-operative Societies. The distance between the farm and the Taluk headquarters would be about 11 miles. The society, it is said, also gets a few periodical magazines relating to technical matters which serve as a reference material to the Secretary.

VIII. FINANCE

The balance sheet for the latest year, *i.e.*, 1954 shows that the society has suffered a net loss to the tune of about Rs. 850 as indicated on the assets side. This loss is attributed to the failure of crops especially commercial crops like cotton, during 1954-55 due to pests. During the first three years the society has worked in profits, though the rate of profit has decreased from year to year. This again is attributed partially to lower yields on the farm due to inadequate rainfall. Another major reason is that during the first two years the prescribed proportions of income were not set apart into several funds on account of which the net profits loomed larger than in subsequent years when these rules were strictly adhered to. It is said that during 1954-55 the financial position of the society has recovered well as the produce grown on the farm almost trebled itself as compared to the previous year, due to favourable monsoons. Thus, at present the financial position is stated to be quite satisfactory. The capital of the society as it stood on 30th June 1954 is as follows:—

	Rs.	As.	P.
(*a*) Contributed by members (share capital including entrance and share fee)	642	7	0
(*b*) Government grants and subsidy	4,002	12	0
(*c*) Given as loan by government	Nil		
(*d*) Loans taken from other societies	113	10	0
(*e*) Obtained out of the income and deposited in several funds	2,687	0	0
(*f*) Bonus payable to staff and members	1,263	5	9
(*g*) Dividend payable	38	8	10
(*h*) General meeting fund	35	9	6
(*i*) Wages payable	503	2	3
Total liabilities	9,287	7	4

As against this, the assets side indicates as cash balance of nearly Rs. 3,500, recoveries to be made on account of sale of produce etc. about Rs. 1,600, value of seeds and other stocks about Rs. 1,300 and the value of other materials like implements, furniture, buildings, etc., to a tune of more than Rs. 2,000. No depreciation on the value of materials like implements, furniture, buildings, etc., has been allowed. The net loss during this year is assessed at about Rs. 850 and if the depreciation had been allowed on the several items mentioned above the net loss amount would have been still higher. In view of the fact that sufficient proportion of the income is set aside in the form of several funds, the loss during this year is not considered to seriously undermine the financial position of the society. Moreover, the bumper harvest reaped during 1954-55 seems to have geared up the financial position.

The entire livestock of the farm belongs to members themselves and the value of 60 pairs of bullocks owned by members is estimated to be Rs. 18,000. The value of implements like ploughs, cultivators etc., owned by members would be about Rs. 1,500 only. The society has not purchased any livestock but the purchase value of 8 improved ploughs, bought by the society is Rs. 522-10-0 and the value of a bullock cart bought by the society is Rs. 326.

A statement indicating the profit and loss position of the society during 1952-53 (the latest audited) is appended.

IX. DEVELOPMENT

The only land improvement that the society has taken up after its inception is "tractor ploughing" of about 200 acres of virgin lands of the farm. The above area has been tractor ploughed free of cost by the State government. No other programme of land improvement has been undertaken by the society. As described earlier, the entire area is under dry land cultivation and it is said, there are possibilities of tap water resources for irrigation in a low lying area of the farm. So far no attempts were made to sink irrigation wells, but if sufficient financial grants are forthcoming from the government the society intends sinking a few irrigation wells which are expected to irrigate at least 100 acres of farm. In the day-to-day farming operations no mechanisation is brought about. All the operations are undertaken by human and bullock labour. The society does not undertake any marketing and has no separate sales section. Only the produce grown on the farm is sold out by it in the open market at competitive rates.

The society has not undertaken so far, any public utilities or social activities. There is no school for the benefit of the children belonging to households of members. A drinking water well was constructed in 1952 entirely at the cost of the government. Members have not contributed anything towards this. No medical aids are provided to members at present. There is a dispensary at the main village 'Thalikatte' at a distance of 2 miles from the colony where the members go for treatment.

As expressed by the members the immediate felt needs of the farm are the following:—

(1) Grant of a school to the farm and also financial assistance to construct the building. (2) An approach road of two miles to the farm from its main village which would facilitate outside contact for members. There is need for two culverts on this road. The members expressed willingness to contribute labour and materials on both these items of works. (3) Sinking of at least two irrigatios wells on

the farm. Substantial assistance (loan) from the government is needed for this. It is said that in the low lying area of the farm on the South Western side there is likelihood of tapping rich source of water within a depth of about 3 feet from the surface.

X. DISSOLUTION

Nothing specific has been defined in the bye-laws towards dissolution of the society. But 'conditions of (alienation) grant' bye-law number 10 reads as follows: "The Government may resume the land wholly or in part with any buildings thereon in the event of infringement of any of the conditions of the grant or if in the opinion of the government the colonisation scheme has been a failure". This almost amounts to condition when the society gets dissolved. Another bye-law under the same heading reads: "The government may resume the land wholly or in part with any buildings thereon, if in their opinion, it is required for public or for conducting mining operation." So even this specified that the government have the full powers to dissolve the society in an event of this type.

XI. COMMUNITY PROJECT AND N.E.S.

This farm is situated within the area operated by an N.E.S. Block. No specific assistance has been rendered to this society by the N.E.S so far. There appeared to be no understanding of the scope of activities covered under N.E.S. on the part of the officials working on this farm. However, it was understood that N.E.S. assistance would be sought for, in the proposed construction of culverts on the approach road to the farm, and also for the construction of the school building for which the members have agreed to collect materials. But the society under study being situated in the interior is inaccessible and perhaps this is one of the reasons for the non-coverage of this farm by the N.E.S.

XII. GENERAL

After the inception of the society agricultural standards maintained on the farm are said to have improved quite considerably. The original cultivators of this area, to whom the government had granted these lands on lease for a fixed produce, did not evince any interest on these lands as cultivation of these was only subsidiary for them. Mainly fodder crops were grown, and no intensive methods were followed. After the society took over these lands, the entire area seems to have received adequate attention in all farming operations. The rates of farmyard manure per acre have increased, while application of fertilizers for certain crops are also practised. Improved iron ploughs are freely made use of at present, especially for heavy soils. Thus from more than one point the lands and yield per acre on these lands have been considerably improved as compared with the results obtained previously.

But the yields per acre on the farm lands do not compare favourably with yields under similar conditions of soil on individual farmer's lands as can be seen from the following table:

Serial No.	Crop	Average yield per acre	
		Outside the farm	On the farm
1.	Ragi	About 800 lbs.	About 600 lbs.
2.	Navane (Millet) . . .	About 1,000 lbs.	About 600 lbs.
3.	Groundnut	About 2,000 lbs.	About 1,500 lbs.
4.	Cotton	About 20 mds.	About 15 mds.

Thus the average yield per acre on the farm is not higher than what it is outside the farm. The major reasons attributed are as follows:—

(1) The members seem to have entertained false hopes all through these years that individual plots would be allotted to them for cultivation and eventually ownership rights would be conferred on them. Members do not take keen interest in increasing the yield of the farm.

(2) The one secretary who is to supervise and guide the entire farm activities pleads that it has not been possible for him to conduct effective supervision of work performed by all the members in different areas.

(3) The quantity of farmyard manure used per acre is considered to be inadequate as compared to individual farmers lands. Firstly, the livestock of the farm presently maintained by individual members, are not enough to fulfil the requirements of the huge area. Also the society has not put in the required efforts to increase the farmyard manure by way of growing more green manure etc., on the farm which could be used for compost making.

The problem seems to be basic in the sense that members lack the conviction and faith that is to be placed in the principles of cooperation, which is so essential for the success of this type of farming. Perhaps it is the necessity and force of circumstances that made the members join hands for such an enterprise. Nevertheless, if some improvements like increased irrigational facilities, better housing, a school, more frequent and strict supervision of the farm activities by senior officials of the concerned departments etc. are undertaken, it is not unlikely that the psychology and working efficiency of members may improve and the society may prosper.

STATEMENT I

Balance Sheet as on 30th June, 1954.

Liabilities	Amount	Asset	Amount
	Rs. A P		Rs. A P
Entrance and share fee .	36 0 0	Saving Bank balance .	3,430 1 2
Share amount . . .	607 7 0	Apex Bank share . .	26 0 0
R.D. Grant . . .	2,000 0 0	Cotton auction sale amount to be recovered . .	1,404 13 0
R.W. grant . . .	2,002 12 0		
Reserve fund . . .	1,325 0 0	Due from Nehru C. S. for seeds	28 2 0
Implements fund . .	400 0 0	Deposit due from Nehru C.S.	200 0 0
Charity fund . . .	150 0 0	Stock of building materials	30 0 0
Bad Debt fund. . .	200 0 0	Stock of gunny bags .	69 12 0
Bonus payable to staff .	322 2 0	Stock of Seeds . .	1,147 6 3
Building fund . . .	612 0 0	Stock of produce	196 15 0
Bonus payable to workers	940 13 9	Furniture and other articles	1,902 7 4
Due to other societies for seeds . . .	113 10 0	Net loss for 1953-54 .	851 14 7
Dividend payable . .	38 8 10		
General meeting fund .	35 9 6		
Wages payable . .	503 2 3		
TOTAL . .	9,287 7 4	TOTAL . .	9,287 7 4

STATEMENT II

Profit and Loss Account (1952-53)

Loss	Amount		Profit	Amount
	Rs. A. P.			Rs. A. P.
Establishment charges :			Gross profit from trading account.	123 0 6
Loss	36 0 0		Excess of wages recovered from members . .	4 13 7
	212 9 8			
Subsidy received . .	153 6 4		Interest earned. . .	0 10 8
Postage . . .	16 0 0		Apex Bank dividend .	1 0 0
Printing charges . .	31 12 0		Sale of receipts books .	2 8 0
Committee meeting expenses	22 8 3		Produce grown in 1952-53	11,496 14 0
General meeting expenses	154 9 6			
Implement and cart spares . . .	71 1 9			
T.A. to members . .	4 0 0			
Local audit fee . .	100 0 0			
Subscriptions to papers and journals . .	3 0 0			
Contingencies . .	48 0 9			
Advances to members against wages				
Produce and fodder	6,389 10 3	9,008 13 4		
Difference rates .	37 6 5			
Credit sale or rations	123 8 0			
Cash advance .	715 0 0			
Balance of wages to be paid . .	1,543 4 8			
Seeds used :				
Reserves . . .	872 4 0	1,041 10 0		
Cash seeds . . .	169 6 0			
TOTAL . .	10,714 1 3			
Net profit :— . .	914 13 6			
GRAND TOTAL .	11,628 14 9		GRAND TOTAL .	11,628 14 9

STATE : MYSORE

SOCIETY: JOINT FARMING AND MULTI-PURPOSE COOPERATIVE SOCIETY, LTD., KAREKERE, DISTRICT HASSAN.

I. INTRODUCTORY

Year of establishment .	The society was registered in November, 1951, but it was established in April, 1952.
Location . . .	Village Karekere, Shantigrama Hobli, Hassan Taluk, Hassan District. It is situated at a distance of 12 miles from Hassan on the Hassan—Bangalore road.
Audit classification . .	'B'
Membership . . .	Present number of members is 52. All except the two are working members.
Land held . . .	Total area held by the society is about 600 acres of which 250 acres comprise the private holdings of the members contributed to the society at its inception while the remaining area (350 acres) is the dry virgin land granted by the Government to the society later. Of the 250 acres of private holdings, a little over 33 acres is wet land and about 14 acres is garden land while the remaining area is dry. Latter two are scattered all over the village while the irrigated land (33 acres) is comprised in one block. The Government land of 350 acres is adjacent to the private holdings and stretches into a single block. Division and consolidation of the whole area into convenient cultivation blocks has not yet been made.

II. GENERAL AND ECONOMIC CONDITIONS OF THE VILLAGE

The village Karekere has 43 households out of which 40 belong to a single caste, *i.e.*, of Vokkaligas while the rest of the three are those of Harijans. The three Harijan families are not included in the society as it is said that they do not own any lands near this village. So all the members of the society belong to one caste.

Economically the village is not very prosperous as agriculture is not highly developed. This is a low rainfall area with a range of 15" to 20" per year. The proportion of irrigated area is very small and even the 33 and odd acres, which received irrigation through a small tank belonging to this village have resulted in inadequate water supply in the tank. The main crops grown on the farm are ragi, paddy, potatoes, groundnut, garlic, etc. The nearest marketing centre for the village is that of Hassan town which is the District Headquarters.

The housing condition of the village is fairly satisfactory as all of these are pucca houses with mud structure and country tiled roof. As per records of the society, about 27 families are indebted to a tune of Rs. 10,000 and it is the desire of the society to repay these debts gradually.

III. RIGHTS IN LAND

(1) The land was originally held by individual members as owners and was given to the society after its formation on a contract of lease between the members and the society, for a period of 5 years only, at the first instance. The rights in land are "Ryotwari".

(2) The society has also taken lands directly from the Government for purposes of co-operative farming. Details of the area held by the society are given below:—

	Acre-Guntas
(a) Lands taken by the society from individual members on a five years' lease.	250—39
(b) Lands granted to the society by the government in 1952	250—00
(c) Lands granted to the society by government in 1954 .	100—00
Total .	600—39

With regard to item (a) above, the society is the tenant having taken the lands of private members on a five years' lease, but with regard to items (b) and (c) above, the society owns these lands as this is a grant by government to the society.

IV. RIGHTS AND LIABILITIES OF MEMBERS

The bye-laws of this society are the same as prescribed for multi-purpose co-operative societies. But the rights and liabilities of members who have given away their lands to the society for the purpose of joint farming are nowhere defined. There is no written or registered document on record which may evidence the agreement between individual members and the society to the effect that members' land were given to the society on lease for a specific period. There is only one register maintained by the society wherein the details regarding individual holdings, their livestock etc., are entered and the signatures of the individuals are attested at the end.

The unwritten rights and liabilities of the members are, however, as follows:—

The members have a right to withdraw their land from the society any time they like. This seems to be just an understanding, as terms and conditions of such withdrawal are not specified. So far, no member has withdrawn his holding from the society. It is stated that

at least one adult male and female from each family should work on the farm. The members have a right to take loans from sources other than the society. But after the society has been formed, members do not generally approach outside sources for loans, as the society advances loans whenever required. Also the society intends clearing off the outstanding loans amounting to Rs. 10,000 standing in the name of about half of the members, contracted before joining the society. But practically nothing has been done so far, in this regard.

The liabilities of members are limited to the share amount contributed to the society by them. The entire livestock owned by individual members was valued at Rs. 23,030 at the time of starting this society and was considered as the share capital contributed by its members. No cash has been contributed by members as shares. This does not seem to be in conformity with the rules framed by the Co-operative Department, but in this particular case non-contribution of cash by the members has not been objected to by the Department. This is really incomprehensible in view of the deterioration that is likely to take place both in the quality and quantity of the livestock from time to time. Hence, there is need for suitable revisions of the rules themselves, or stricter adherence to the current rules and/or practices observed with regard to similar societies.

V. ORGANISATION AND MANAGEMENT

There is an executive committee of 8 members (called directors) elected from among the members. This committee is mainly responsible for the management and supervision of the farm activities. One M.L.A. who is the initiator of this scheme is the President of the society. The village headman is the *Ex-officio* Secretary of the society, while another leading member is the Treasurer. The President of the society visits the village, and the farm, occasionally as he resides in a nearby town. This committee meets once in a month to discuss the current agricultural programmes and also to arrive at decisions on matters like requesting the government for increased assistance, taking decisions on the manner of distribution of produce etc. The Assistant Secretary (a fieldman of the Agricultural Department) of the farm is the only paid official of the society. (So far he has been paid by the Co-operative Department). He is expected to guide the farm activities on technical matters and also maintain its accounts. It is understood that this Secretary does not reside in the village and hence his supervision over farm activities is not very regular.

The land recently sanctioned to the society by the Government is considered to be one farm for all agricultural operations and the same members who are working on the joint farm, are also working

on these lands. It was only during 1954 and 1955 that an area of 100 acres out of 150 acres, proposed to be cultivated, was brought under plough and about 50 acres out of it was sown with crops during 1955. The procedure for the distribution of the produce grown on these lands has not yet been worked out as the society is thinking of selecting 15—20 families from this village to settle them on these lands exclusively. For the operations done so far on these lands like ploughing, sowing etc., wages are paid at the rate of Rs. 0-8-0 per adult male per day. An area of only 10 acres out of these new lands has been tractor ploughed and this facility could not be obtained for ploughing the entire land as the machine went out of order.

The land obtained from individual members is divided into 8 blocks corresponding to the 8 Directors. The area allotted to each Director is not measured and is only on a rough basis. Each block consists of about 25 acres of dry land, 4 acres of wet land and 1½ acres of garden land on the farm. This type of assignment among individual Directors is for all agricultural operations. The members are considered to be partners in all the farm activities.

All the farm equipments like plough, livestock, etc. used on the lands that are newly brought under cultivation, were originally owned by the members themselves. Since this is considered to be the share capital of the society, it might be treated that the society owns all the farm equipment. The society has purchased 2 or 3 improved ploughs out of its own funds for the common use on both the types of lands. The assignment of work on the newly cultivated lands is done by the Assistant Secretary.

On the joint farm, each Director of the society, is made responsible for the cultivation of the area under his charge. Even on this, the Assistant Secretary of the society assists on technical matters and also supervises the farm operations. With the exception of the President who generally resides outside the village, all the other Directors are to work on the farm just as any other member. It is understood that permanent labourers employed by the President will render his quota of work on the farm.

No labour brigades have been organised so far in the village. Generally all the members on the list of the society participate in all the farming operations except for 2 members who supervise and look after the affairs of the society, contact the government in matters of getting assistance to the society, etc.

All the operations connected with farming are said to be undertaken by the members themselves in a co-operative way. As stated earlier, each Director is said to be in-charge of a particular area with a group of families. All the operations are done under his super-

vision by all the members in his group. No particular instances of co-operation in non-farming operations were reported.

The farm equipments, livestock etc., though transferred in the name of the society, are maintained by individual families and these are used by members in their particular blocks. The society does not maintain these collectively, *e.g.*, there is no common cattle-shed for the entire livestock of the village. Even the compost making etc., are done on an individual basis as was done before, and is used in particular blocks. There seems to be some improvement in the method of compost preservation. The repair and maintenance of equipments are charged to the society. There are six irrigation wells on which work has begun, but these are not used as yet. It is proposed to instal irrigation pumpsets on all these six wells. The use of equipment, livestock, etc., is carried on, as they were used even before the starting of the society, but co-operation in completing each operation within the block seems to be existing which does not necessarily require the pooling together of all the equipment in a common place.

Supply of credit to carry out farm activities is undertaken by the society itself which buys seeds, manures, etc., according to the requirements of the farm. Credit to individual members, to carry on farm operations, is not needed, as all the necessary articles are brought by the society in bulk and is distributed for use among members. The society sometimes buys these goods on credit at the taluk Multi-purpose Co-operative Society and takes care of the payment also. Marketing of produce also is undertaken by the society itself and the Secretary together with the Assistant Secretary arranges for this. Produce is generally sold to outside buyers at competitive rates. The society enjoys no exclusive storage facilities but a fairly big house of the President of the society, which is not used for his residential purpose, is being used for running the business of the society and also for storage purposes. But so far the problem of storage has not manifested itself in any considerable proportion, as the farm produce has not even reached proportions of self-sufficiency. It is said that during the very 1st year after the inception, the society had to buy rations for the use of members as there was failure of crops, due to failure of rains. So taking into consideration the prospects of higher yields on this farm, question of storage may not be a problem to this society for a few more years to come, when increased irrigation facilities may better its prospects.

VI. DISTRIBUTION OF INCOME

Only about 50 acres of Government granted land have been sown. The members who work on the 'joint farm' also work on these new lands. An attendance register has been maintained wherein the

work days performed by each member are recorded. Decision regarding the distribution of farm produce has not yet been taken by the executive committee. Perhaps, the mode of payment that would be adopted might be on a wage rate basis, *e.g.*, so much per adult per work day.

According to the terms of the lease that has been agreed upon between the society and the individual members, the society agrees to pay a fixed produce of land as so much per acre, which differs according to soil conditions. This is fixed for each crop. Ragi is the major food crop grown in the area and for an acre of fertile soil about 600 lbs. of ragi are given, while for an acre of less fertile soil only about 400 lbs. of ragi are given. The share of each member would be based on this principle and would be limited to his owned holding. Whatever remains after distribution to members according to this contract, would be preserved for seed purposes etc., by the society. But in practice during the first year after joint farming was undertaken, the produce grown on the farm has not been adequate for distribution on this contract basis. It seems, then the committee of directors decided upon distributing the total produce among members on the basis of ration *per capita*. This was almost similar to that adopted during rationing days. The formula for the major food crop 'ragi' was ½ seer (1 lb.) of ragi per adult per day and per child the quota would be half of this. During the two years 1953 and 1954, the produce was distributed on 'Gutta' basis which is according to the contract of so much per acre. The other by-products like straw, fodder, etc., are also distributed to the members on a similar calculation—as so many cart-loads per acre. Whatever remains after distribution goes to the society. There does not seem to be any fixed formula for distribution of income and the criteria seems to be a subject for free revision or alteration by the committee according to the special circumstances that may arise. But in the event of crop failure etc., the society comes to the rescue of the members by providing food provisions, etc., out of the grants sanctioned by the Government. The total produce grown on the farm (mainly relating to food crops), and the total distributed to members has been indicated in statement 3. This method of distribution, while it guarantees a fixed produce to the owner of the land according to his holding, does not in any way assure equality of distribution among the different members. The big cultivators even now get the lion's share. As the total yield of the farm has been very low, the terms of distribution may not seem to be attractive to smaller cultivators who in a joint farming are to toil more but receive a share just that much which perhaps they would have grown themselves on their own farms.

VII. STATE ASSISTANCE

The society has received substantial assistance from the government for the past three years. The assistance has been both financial and otherwise which is as follows:—

As indicated below all the amount sanctioned to the society has been in the form of subventions and is to be treated as subsidy. So far no loans have been sanctioned to the society:

1952-53—Rs. 10,000 for starting a dairy and poultry farm in the village, construction of a cattle-shed, and for other developmental works.

1953-54—Rs. 5,000 for the purpose of sinking irrigation wells, purchase of pump-sets, etc.

1954-55—Rs. 2,000 for the construction of a community hall.

The accounts maintained in this regard indicate that the entire amount has already been utilised for the following purposes:—

1. Purchase of food grains.
2. Purchase of a diesel oil pump-set.
3. Deposit towards getting the electric power for irrigation purpose.
4. Sinking six irrigation wells.
5. Collecting materials for the construction of community hall.
6. Purchase of zinc-sheets.
7. Repayment of loans.

Expenditure on these items is not quite in line with the purpose for which the grants were sanctioned. Nothing has been done to start the dairy farm, which was the major purpose for which grants were sanctioned. Only about 100 zinc-sheets are said to have been brought out of this amount for the construction of a common cattle-shed the work on which has not yet begun. So also work on community hall has not been started but it is said materials like bricks and stone are being collected for this. When the society thought of providing electricity for which deposits were made with the Electricity Department, the purchase of diesel engine pump-set at a cost of about Rs. 2,000 could have been avoided which would go waste when electricity comes. Besides, when the society has not attained financial stability and soundness, sinking of six irrigation wells, seems to be rather a hasty step in so far as work on these wells has not yet progressed. Another irregularity that has come to notice with regard to the irrigation wells is that all these wells are located in private holdings of members, and if after the lease period, the members decide not to continue the lease for a further period, no provision

has so far been made to recover the grant amount spent on sinking of these wells from individual members. In all fairness, the society should contemplate suitable measures regarding these and such irregular expenditure should be disallowed. Purcahse of food grains for distribution among members also is not very proper as government grants cannot be spent on any and everything without prior sanction, even though such expenditure is shown in the name of an institution.

No reduction on land revenue or any other taxes has been shown to the society by the government. The rates of assessment followed before the starting of the society continue.

The major assistance provided by the government is through the fieldman of the Agriculture Department who is placed at the disposal of the farm. He is designated as Assistant Secretary and is a technically qualified man, holding a certificate in Agriculture. His services are lent to the Co-operative Department by the Agricultural Department. He is placed at the disposal of the society on the understanding that for the first three years government would meet his salary, after which the society itself has to make provision for his pay and allowances. Apart from this, the Assistant Director of Agriculture of the District, pays visits to the farm occasionally and renders advice on technical matters. Improved seeds, fertilisers, improved implements, etc., are bought by the society either in the Taluk Range Agricultural Department or at the Multi-Purpose Co-operative Society. Tractor also was made available to this society by the Agricultural Department, for ploughing of the newly granted lands but only an area of about 10 acres were ploughed that way, after which the machine went out of order and the rest was ploughed with the help of bullocks.

The government has been very considerate towards this society and has sanctioned nearly 350 acres of cultivable waste lands lying adjacent to the village on a *priori* basis. The grant is to the society and not to individual members. The society can improve this area into a co-operative farm and plans are ahead to select needy farmers from this village and make them settle on this area. As stated earlier about 100 acres are already brought under plough and in 50 acres out of these, various crops are already sown during the current season.

The government has not taken up any consolidation work in the village. nor was this undertaken by the society in which the government has assisted. As the contract between the society and the individual members is only for a temporary period no such permanent improvement could possibly be undertaken by the society. Hence the scope in this regard is very much limited.

VIII. FINANCE

The financial position of the society has been mentioned below as it stood on 30th June 1954. The extract is from the balance sheet (Statement 1) for that year:

		Rs.	A.	P.
1.	Paid up share capital (contributed by members in the form of livestock)	23,030	0	0
2.	Admission and share fee	313	14	0
3.	Loans from Taluk Multi-purpose Society with interest	2,380	0	0
4.	Government subsidy	15,000	0	0
5.	Grants from District Board	320	0	0
6	Wages to be paid	5,675	12	0
	TOTAL	46,719	10	0

This is the position on the liabilities side. On the assets side, there are still many more articles like zinc-sheets, empty gunnies, diesel pumping-set, cattle-shed, for all of which the full purchase value has been entered without appropriate reductions in value. So the value on the assets side presents an incorrect position and with all this, the balance sheet indicates a net loss of more than Rs. 5,000 as on 30th June, 1954. The only year in which the society has made some profit is during 1953-54 and this too is not very considerable.

Enquiries made reveal that there are several irregularities in the accounting of the society and the maintenance of records also does not appear to be very satisfactory. The present value of the livestock according to the present numbers and types will have to be reduced by about 30 to 35 per cent. over that which was calculated originally and is being continued without any reductions. The present value of a total number of 519 different types of livestock would be about Rs 16,000 only. So also the real value of machinery and equipment like carts, implements, pumping machine, etc., would be Rs. 5,000 only as against the purchase value of nearly Rs. 6,500. All these items are contributed by members and the society's share in some of these equipments would be only about Rs. 2,000 which is the cost of diesel oil pumping set and a few implements like ploughs.

The financial position as indicated in the balance sheet is very defective and even granting what is represented as liabilities and assets of the society the present position of finances is not at all sound. There is need for a thorough check up of the accounting and more frequent supervision of accounts.

A statement showing the receipts and expenditure account for 1954-55 is enclosed as statement 3. The profit and loss account could not be obtained.

IX. DEVELOPMENT

The major land improvement that has been undertaken by the society is that of reclamation of about 100 acres of newly allotted land. It is proposed to reclaim another 50 acres of land for cultivation. Thus out of the total of 350 acres, only 150 acres are intended to be utilised for cultivation; while in the remaining 200 acres, 100 acres would be reserved for grazing purposes and in another 100 acres fuel plantation would be taken up by the society. Actually plantation work has not yet started but preparations towards that end such as digging pits, etc., are under way. No major land improvement work has been undertaken in the erstwhile private holdings of the members.

Another improvement on which work has begun, is that of providing additional irrigation facilities, for the area of the farm covered by private holdings. At present about 33 acres of land are being irrigated through a tank but the source of water supply to this tank is uncertain. Hence it is proposed to bring at least another 50 to 60 acres of land under irrigation by sinking irrigation wells and also by the construction of a small tank. Attempts on sinking of irrigation wells and to instal motor driven pumpsets are under way. It is said that construction of a minor tank would be taken up entirely by the Government for which an estimate of Rs. 5,500 has already been prepared by the Public Works Department. These are incomplete proposals at present.

On land improvement *i.e.* on tractor ploughing of about 10 acres of land, the society has spent about Rs. 70 only and figures of expenditure on ploughing the rest of the area which was done by members are not available. On sinking six irrigation wells about Rs. 6,280 have been spent so far. Apart from these no other land improvement measures are undertaken by the society.

So far the society has not started any processing or subsidiary industries. Sheep rearing is the only other subsidiary occupation for many in the village. The Society contemplates to start the following subsidiary industries in the village provided additional Government assistance is forthcoming:—

(1) Poultry farming,
(2) Dairy farming,
(3) Sheep-rearing (this is being done in the village on an individual scale since long).
(4) A few other cottage industries like spinning, weaving, mat-weaving, etc.

All these, perhaps were thought of at the inception of the society itself, but no progress has been made. As this society has been named as a Joint Farming and Multi-purpose Co-operative Society.

provision was made in the rules to undertake marketing also. During the first year of its operation (1952) this society, had a sales section also, in which consumption articles like cloth, food articles, kerosene, matches, etc., and also farm equipments like implements, manures, etc., were being sold in the village. As price-control and partial rationing of some essential commodities was still in operation during the year 1952, a very good turn over is said to have been experienced by the sales section. By the end of the year 1952, most of the articles including those of food, were decontrolled with the result that during 1953 this section was completely wound up. For the year during which this society had a sales section, the finances for the transactions mainly came forth through the credit supplies received from the Taluk Multi-purposes Co-operative Society in the form of goods themselves. The sale amount would be repaid to the taluk society as and when sales were complete.

Recently an approach road of about $\frac{3}{4}$ mile from the main road towards the village and a causeway have been constructed. The expenditure has been met out of District Board grants, and the work has been carried out under the supervision of the Public Works Department. The members of the society have not contributed anything to the road. But it is said that the initiative and effort came forth from the President of the Society who is quite influential with the Government and naturally the subsidies were obtained easily. This road has not been metalled as yet, but the proposal to metal is there. Materials for the construction of a community hall are reported to be ready, but actual work has not yet begun on this. A drinking water well was also constructed about three years ago entirely out of Government grants and not through community efforts. In the social field no noteworthy progress has been made in spite of the fact, that a branch of the 'Kasturba Trust Centre' is operating in the village for the last five years.

X. DISSOLUTION

No specific terms for the dissolution of the society have been laid down but after the period of 5 years when the contract of lease between the society and members expires, the joint farming aspect of the society may get dissolved if no renewal of the contract is done within this period.

XI. CONCLUSIONS

Although the society has been able to introduce a few new crops like potatoes, garlic and onions and some improved methods of culti-

three years of the working of the farm, points out that there has not been any appreciable improvement in the agricultural standards over those that existed before the society started. Neither has the yield per acre increased. Rather there has been a fall in the average yields of the major food crops like ragi, paddy, jowar, etc., and the value of the total produce of the farm has indicated a gradual decrease during these years. The major reason for this state of affairs put forth is: low rain-fall resulting in inadequate source of supply of water in the tank. This seems to have affected adversely both the dry land crops and irrigated crops during the years 1953 and 1954. So under these conditions, joint farming methods could not prove much of their worth to the individual members.

The attitude of members towards the society and its functioning seems to have been very much influenced by factors like the future prospects that are held out to them by influential Directors who initiated the society. The prospects of betterment, by way of increased irrigation facilities, new lands that have already been sanctioned in the society (which would be for the exclusive use of this village) are the hopes on which the members might be expected to continue. All the same, it seems rather unlikely that the members would be willing to extend the period of lease by another 5 years. They may, however, continue to participate in the cultivation of the new lands on a collective basis.

Proper and timely audit, more irrigation facilities, cash contributions, from the members towards the assets of the society seem to be some of the measures which should be soon adopted so that the society may continue and prosper.

STATEMENT 1

Balance sheet as it stood on 30th June 1954.

Serial No.	Liabilities	Amount Rs. A. P.	Serial No.	Assets	Amount Rs. A. P.
1.	Paid up share Capital	23,030 0 0	1.	Cash on hand	326 14 0
2.	Admission and share fee	313 14 0	2.	Share in Taluk M.P.C.S.	100 0 0
3.	Loan from Taluk M.P.C.S.	2,000 0 0	3.	Share in Apex Bank	100 0 0
			4.	Advance to tractor	70 0 0
4.	Interest due	360 0 0			
	Suspense account	20 0 0	5.	Value of livestock	20,232 10 0
5.	Government grant	15,000 0 0	6.	Value of carts	2,062 10 0
6.	District Board	320 0 0	7.	Loan from members	4,001 13 0 3,817 11 9
7.	Wages to be paid	5,675 12 0			

Serial No.	Liabilities	Amount Rs. A. P.	Serial No.	Assets	Amount Rs.	A.	P.
			8.	Advance to be recovered from members. .	175	0	0
			9.	Advance for sinking wells	6,280	0	0
			10	Value of pump machine . .	1,993	1	0
			11.	Value of empty gunnies	33	0	0
			12.	Value of locks . .	17	13	0
			13.	Value of silver karne .	16	13	0
			14.	Value of iron bars .	29	12	9
			15.	Value of Zinc-sheets .	505	7	3
			16.	Value of cattle-shed .	184	0	0
			17.	Brick heap . .	1,632	0	0
			18.	Stamps.	1	13	0
				Previous Loss : 6164-2-9 Less 53-54 Profit : 1024-14-6	5,139	4	3
	TOTAL . .	46,719 10 0		TOTAL .	46,719	10	0

STATEMENT 2

Financial statement for the year 1954-55

Serial No.	Receipts	Amount Rs.	A.	P.	Serial No.	Expenditure	Amount Rs.	A.	P.
1.	Opening balance .	326	14	1	1.	Gutta of A.M. Kavel Karekere . .	125	0	0
2.	Deposit received .	753	12	6					
3.	Sale of groundnut .	115	0	0	2.	Pay of driver . .	42	0	0
4.	Hire amount from the pump . .	255	0	0	3.	Duty allowance of the fieldmen .	52	14	0
5.	Sale of potatoes . .	662	8	0	4.	Purchase of manure .	701	2	6
6.	Sale of breeding bull	159	0	0	5.	Postage . . .	1	8	0
					6.	Pump repairs . .	123	13	6
7.	Dividend of share amount from Apex Bank . . .	5	5	0	7.	General-body meeting expenses. . .	8	8	0
8.	Government subvention	2,000	0	0	8.	T.A. . . .	15	3	0
9.	Share amount received from taluk M.P.C.S., Hassan . .	95	0	0	9.	Remitted the pay of the fieldmen to the Agricultural department . . .	390	0	0
					10.	Purchase of potatoes .	242	8	0
10.	Dividend of share amount from taluk M.P.C.S., Hassan .	12	8	9	11.	Refund of loans to Taluk M.P.C.S. . .	2,000	0	0
11.	Total income from the society lands for the year 1954-55	15,280	1	6	12.	Interest	510	0	0
					13.	Contingencies . .	0	8	0
					14.	Audit fees for 1953-54	62	4	0
					15.	Gutta given to the members for 1954-55	8,163	9	6
					16.	Purchase of seeds and manures . .	4,533	2	6
					17.	Purchase of fodder . .	2,581	5	6
					18.	Closing balance .	109	11	4
	TOTAL .	19,665	1	10		TOTAL	19,665	1	10

STATEMENT 3

Statement showing yields from different crops and also the quantities distributed to members in different years

Name of the crop	1952-53			1953-54			1954-55		
	Total yield	Total distributed to members	Reserved for seed purposes	Total yield	Total distributed to members	Reserved for seed purposes	Total yield	Total distributed to members	Reserved for seed purposes
	p. s.	p. s.	p. s.	p. s.	p. s.	p. s.	p. s.	p. s.	p. s.
1. Ragi	266—47½	254—47½	12—00	273—50	263—50	10—00	268—50	253—50	15—00
2. Paddy	52—43	46—43	6—00	37—35	82—35	5—00	75—45	65—45	10—00
3. Same	1—53	1—14	0—39	21—00	21—00	nil	3—00	..	..
4. Jola (Jowar)	..	..	..	10—00	10—00	nil	5—00	..	..

p. Palla s. Seer.

NOTE.—The above crops which are in local measures are approximately equal to the following weights :—

(1)	Ragi	100 seers	175 lbs.
(2)	Paddy	,,	180 lbs.
(3)	Jola	,,	220 lbs.
(4)	Same	,,	150 lbs.

STATE: PEPSU

SOCIETY:—THE SEWANAGAR CO-OPERATIVE SOCIETY

I. Introductory

Year of establishment—April 1950.

Location—Village Parwa, District Kapurthala.

Audit classification—"A"

Present number of members—36.

Land held— 65 acres held by the society as quasi-permanent allotment from the Rehabilitation Department with members as co-sharer to the extent of the area allotted to them as displaced land holders. Most of the area is irrigated by wells with pumping sets. The entire land is comprised in one consolidated block.

II. General and Economic conditions of the Village

The total area of the village, which has a population of about 580, is 1438 ghumaons. Out of this approximately 900 ghumaons were held by Muslims which after partition were declared as an evacuee property. The bulk of this evacuee land has been allotted to displaced land-holders from West Pakistan who are Jats by caste and are very hard working people. They are progressive cultivators of the canal colonies. They had relatively large fertile canal irrigated land holdings in Lyallpur district of West Punjab, generally 10 to 12 acres per family. Some of them had as much as 60 standard acres. Now their individual allotment ranges between 4 and 43 standard acres, the majority being in the 10-20 acres group. Many of the allottees are political sufferers. They have also suffered together during migration from Pakistan. This has inculcated in them a strong spirit of unity and common endeavour. With the exception of one allottee, who has about 40 acres, all other allottees have combined together to form this society. The remaining area in the village is cultivated mostly by of the neighbouring villages. There are a number of houses of Harijans also in the village. They are generally landless and are dependent to a large extent on casual labour in the nearby town of Phagwara. They assist the society in agricultural operations during busy seasons.

The principal crops now grown are: wheat, cotton and sugar-cane. Even before Partition there were, in the area now occupied by the society, as many as six wells. However, when the allottees arrived here, these wells were in an unworkable condition. The allottees repaired these wells and installed pumping sets on them.

The village is about 3½ miles from the market of Phagwara and is connected by road, half of which is kutcha. The housing position in the village is unsatisfactory. There were some pucca houses which were partially damaged following evacuation of the Muslims. The present allottees are living in kutcha houses which have been repaired and constructed by themselves.

III. Rights in Land

The land is held in the name of the society as quasi-permanent allotment from the Rehabilitation Department with members as co-sharers to the extent of the area allotted to them as displaced land holders. The share of each individual, though fully specified in the papers, has not actually been demarcated on the land. The entire land is thus pooled together with members knowing only the extent of their individual share but not the actual location of their land.

The area held by the society is equal to the total individual allotments of all the members. No other land has been taken by the society for co-operative cultivation and management. Since it was all evacuee land needing reclamation, the society's efforts were mainly devoted to this work during the first 3 or 4 years of its working.

IV. Rights and Liability of Members

The by-laws of the society have been taken over from the model bye-laws of Co-operative Credit Societies in the State. These do not specify the rights and liabilities of the members as share holders of a co-operative farming society. Since these fail to meet the particular need of the Co-operative Farming Societies, it is essential that these are suitably revised and necessary modifications made in them.

(i) Though there is no specific provision in the bye-laws the members retain the right to withdraw their land from the society by claiming separation of their share of land. So far no member has claimed separation or withdrawal from the society and, therefore, the question of the terms and conditions on which a member can withdraw has not arisen.

(ii) There is no mention in the bye-laws requiring the members to put in a minimum amount of labour on the farm. However, most of the members participate in the farming operations. As a matter of practice, if any of the members does not take part in the farming operations (i.e. he has taken up some supervisory work or does not work at all), he deputes some other person to do the work for him on the farm. Generally, the members are required to put in labour in proportion to the area held by them.

(iii) No member retains any holding or part of a holding outside the farm. The entire land held by the members in the village is pooled in the farm. Most of the members, however, possess some land as hereditary property in the districts of Amritsar and Jullundur. Since these are situated very far off from the farm, these are either looked after by the relatives of the members or are leased out to tenants.

(iv) There is no mention in the bye-laws of the right of the members to take loans from sources other than the society. There does not appear to be any such restriction although no member can take loan on the security of land which in fact is held in the name of the society.

(v) According to their bye-laws, the liability of each individual is unlimited. The members are severally and collectively responsible for the payment of land revenue, and other charges payable by the society.

V. Organisation and Management

The entire farm is divided into four blocks for purposes of cultivation. Each block is allotted to a group of members who is responsible for performing all the subsidiary operations in that block. Each block's area is equal to the total allotment of the members in that block. Of the four blocks the biggest comprises of 236 standard acres and the smallest of 62¼ standard acres. The other two are of 122 and 128 standard acres respectively.

The society, to a large extent, performs the principal agricultural operations such as ploughing, hoeing and harvesting. At times, however, when the tractors are pre-occupied on other parts of the farm and are not available to a particular group, and the members of that group have to undertake ploughing operations, too, with the help of bullocks. But this is done when the area to be ploughed by that group is not very large.

All the farm equipment such as tractors and allied implements, bullocks and other agricultural machinery are owned by the society. The members or any group of members do not own such equipment. Except for the tractors, all other implements, and also bullocks are distributed for use to each block. It is the responsibility of the individual block to maintain the bullocks, but the repairs etc. of agricultural implements are done by the society. The society owns 50 bullocks.

Each block has got a group leader appointed by the general body of the members. It is the responsibility of the group leader to assign work to the members and to supervise day-to-day working. The work in the block is done jointly by the members. The capacity of the individual member to put in heavy or light work is taken into account by the group leader when assigning the type of work.

For the general supervision of the farm, a Managing Committee has been set up. The group leaders who look after the affairs in their respective blocks are responsible to the Managing Committee.

The Managing Committee of the society is elected by the general body of members. The present committee consists of five members *viz.* the President, the Vice-President, the Treasurer, the Secretary and one member. It is responsible for the management of all affairs in the farm such as supervision and maintenance of accounts. The President generally looks after the affairs of the society on behalf of the Committee and there is no manager specially appointed for the purpose. A few members look after the secretarial as well as the accounts work as a part time job as there is no special staff appointed for the purpose. The Treasurer and the Secretary are, however, given an honorarium for their special duty.

The committee members are not very big land holders. Except the Treasurer, who owns about 12 acres, all the remaining four members own from 22 to 24 standard acres of land. All of them are, however, influential persons. The President, (holding 24 acres) is also the President of the local Congress Committee.

Out of the 36 members, 27 participate in the farm operations (such as ploughing, sowing, weeding, harvesting etc.), and 7 members perform non-farming operations of the society (such as supervision, maintenance of accounts and secretarial work). The 2 members who do not take active part in the affairs of the society are widows with no adult male members in their families. There are 24 non-members who are engaged on work on the farm. Of these 13 are adult persons belonging to the families of the members and 11 are hired labourers. Thus about 22 per cent. (*i.e.* 11 attached labourers) of the society's working strength does not belong to the families of the members. The hired labourers are paid generally in cash by the members, who employ them or depute them for work in their own place, at the rate of Rs. 45 per month. The members in turn get their usual shares of produce for the labour thus contributed on their behalf. Besides this, the society employs casual labour for certain operations such as hoeing, harvesting (includ-

ing picking of cotton and winnowing), which are the responsibility of the society. For this the casual labourers are paid according to the charges mentioned below:—

Hoeing	Rs. 4·5 per acre or Rs. 2 daily
Harvesting	
Wheat	16 srs. of wheat and 20 srs. of *bhoosa* per day.
Cotton	1/12th to 1/20th of cotton picked
Winnowing	1/21st. of the grain.

During harvesting, the members can also work as casual labourers and receive payment for the work done as mentioned above. Casual labour is also employed for miscellaneous work from time to time by the group leaders. No land is given to any individual member for his exclusive or personal use.

Besides, working in their respective blocks, the members are also expected to participate in non-farming operations on behalf of the society. For example, the marketing of produce is the responsibility of the society, but as a matter of practice, the produce of each block, under instructions from the president of the society, is moved to the market and sold by the members working in their respective blocks. In such cases the group leader generally sells the produce. The society, however, has the option to pool the entire produce of all the four groups and sell it in one lot. But in this case, too, the responsibility for bringing the produce to the society's stores and for taking it to the market at the time of selling, rests with the respective group leaders.

The Managing Committee draws up plans for cultivation of the various crops during a particular year in consultation with the local Agricultural Extension Officers. The group leaders and the members of the respective groups have to abide by the Plan so prescribed.

The entire agricultural operations are financed by the society. Besides utilizing the resources of their own, the society has to draw upon the Co-operative Union Bank and the Agricultural Department for supply of credit, from time to time. All farm equipments are owned by the society and are given to the blocks for their requirements. The seeds, manures and fertilizers are obtained by the society through the agricultural extension staff and are distributed to the blocks according to their requirements. In the case of wheat seed (6,591), however, the society's seed itself is so pure that the State Agriculture Department purchases the entire surplus quantity of wheat for supply to other individual cultivators in the district and near about.

The storage capacity of the society is very limited, mainly because of shortage of buildings in the village. For this reason, it has to divert the produce direct from the farm to the market. In case of cotton, the farm being an important supplier of good American cotton, the dealers and merchants themselves come to the village and make the purchases on the spot. Surplus wheat, as already mentioned, is purchased by the State for the supply of quality seed to other areas. The sugar-cane is supplied to the sugar mill in Phagwara. The society has no truck of its own to carry the produce which they want to sell in the Phagwara market. They use a trailer attached to the tractor for this purpose. The President of the society keeps himself in touch with the market conditions and is responsible for all purchases and sales done on behalf of the society.

Except for 10 to 15 standard acres, which being on uneven land are unirrigated, the entire area is irrigated by wells with pumping sets fitted on them. There are six such wells. Generally one such well commands about 60 to 70 standard acres. Two ordinary wells (without pumping sets) are also being used to supplement the irrigation facilities provided by the wells with pumping sets. The pumping sets are owned by the society. Fifty per cent. of the cost of these sets was given by the State Government as subsidy. Formerly each of the four blocks had been given one set for irrigating the land under them, but recently two additional sets have been provided to the two larger blocks.

VI. Distribution of Income

The entire produce of the land belongs to the society. After deducting harvesting charges, one fourth of the produce of each block is distributed among the members of the block as payment for the labour contributed by them.

Among the members of the block, the share is divided according to the number of adult workers provided by each family who have worked on the farm. The value of the produce which each member so receives is generally higher than the customary wages prevalent in the locality. There is no discrimination made between the nature of work done by each member although on the whole persons who can do heavier work are assigned more work. The remuneration for their labour is the same as for persons doing light work. The members felt that this was the most suitable way of making payment and expressed the view that it would be difficult to ascertain the amount of labour put in through-out the year by each member and to pay him accordingly.

No additional payment is made for special types of work such as supervision. The group leaders are also not paid any special remuneration.

For the contribution of land made by the members, a "chakota" is payable, but according to the by-laws of the society all profits are to remain indivisible for the first 10 years and are to be pooled in the reserve fund for further investment. The "chakota" is not fixed. It is dependent upon the net income of the society. It is, however, not likely to exceed one-third of the prevalent rate of rent for land.

The question of payment of profit, bonus etc.. will arise only after the expiry of 10 years from the establishment of the society. For the time being, the entire profit of the society is set aside for re-payment of loans and for further investment.

VII. State Assistance

The society has received financial assistance from the State Government to the extent of Rs. 22,660 as subsidy and about Rs. 12,077 as loan from time to time. Subsidies have been received from the Co-operative Department, the Agriculture Department and the Development Department as follows:—

Co-operative Department.—Rs. 12,230, as subsidy for the purchase of agricultural implements, including tractors with trailers, winnowing machines, etc.

Agricultural Department.—Rs. 1,725 for repair of wells, Rs. 8,305 towards the cost of six pumping sets.

Development Department.—Rs. 250 for storage facilities.

The details of loans are given as under:—

	Rs.
From Union Co-operative Bank, Phagwara	1,592
From Food Department	8,485
From Agricultural Department	2,000
Total	12,077

At present the total amount of loan outstanding is Rs. 7,188 the balance having been repaid by the society. The amount was borrowed mainly for the purchase of agricultural implements. The rate of interest charged on the loans is 6 per cent. per annum. Loans are re-payable within two to three years. The society is paying Rs. 3,097-11-0 per year as land revenue. No concession has been given to the society in respect of land revenue.

The State is, however, rendering technical assistance and advice on use of tractors and other implements, the crops to be grown etc., through block development staff (the area is included in the Phagwara N.E.S. Block). Facilities are being provided by them also for obtaining improved seeds, fertilisers, implements, etc.

Guidance in cooperative methods is provided by local officers of the Cooperative Department. There is no provision for a manager or a special officer of the State Government to look after and supervise the day-to-day management of the farm. Consolidation of holdings was carried on in the village in 1952 i.e. two years after the formation of the society. Due charges were paid by the society for these operations and no concessions were made to the society in respect of such charges.

VIII. Finance.

The latest available balance-sheet of the society is for the year 1953-54, and is appended to this report (statement I). The latest position as given in the Profit and Loss statement of the society is also given in statement II. Up-to-date liabilities of the society are as under:—

	Rs.
Deposits from members	19,004 9 6
Deposits from non-members	2,727 14 0
Subsidies from Government	22,660 0 0
Loans	7,188 13 0
Sundry credits	16,355 6 0
Profits	46,686 4 6
Total	1,14,622 15 0

As regards the assets side, the entire livestock and agricultural implements have been purchased by the society. They consist of two tractors along with trailers, and other implements valued at Rs. 37,131-6-6. The 50 bullocks are valued at Rs. 10,152. The profits shown in the balance-sheet are inflated in the sense that the amount payable as "chakota" (land ownership dividend) has not been deducted from this amount although the entire amount is divisible among the members according to the area contributed by them. Thus, this statement, gives an incorrect idea about the net profits of the society. The method of including "chakota" in profits is also responsible for payment of high audit fees. During 1953-54, the audit fee was assessed at Rs. 3,383. The members complain that the method of assessing the audit fee is very harsh because what is actually shown as the profit of the society is in reality their produce of land. The society is, however, prepared to pay the actual charges incurred by the Department for getting their accounts audited, which are not expected to go above a few hundred. The members feel that the payment of such large amounts by

way of audit fee every year would be a big drain on their earnings. They further add that in case the "chakota" had been excluded from this amount, there would have been a net loss to the society and the minimum amount, of audit fee might only have been charged from the society.

IX. Development

The entire resources and efforts of the society have been concentrated on improvement of agricultural standards. When the land was allotted to the society it was more or less a waste land because for a number of years, it had remained uncultivated. The wells were in unworkable condition; and the houses had all been destroyed or damaged. The members had to work hard for reclaiming the land and repairing the wells and houses.

Ploughing is done to a large extent by two tractors, and water is pumped out from wells by pumping sets.

The society has not set up any processing or subsidiary industries. They are waiting for the extension of rural electrification to the village to undertake some of them such as oil crushing, flour mill etc.

The society has not done much in the way of taking up public utilities and social activities such as construction of roads, wells for drinking water and community centres, opening of schools and provision of medical aid etc. Only one mile of kutcha road has been constructed by it. The society has under consideration a proposal for a model village in which all these things will be provided. The scheme is being finalised. The society is prepared to meet 50 per cent. of the entire expenditure involved.

X. Community Projects and N.E.S.

The village is situated within the N.E.S. block Phagwara. The society has received technical assistance and advice and also assistance in obtaining manure, fertilizers, improved seeds, implements, etc., from the block development staff. Financial assistance to the extent of Rs. 250 was also received from the N.E.S. for storage facilities.

XI. General

The society seems to be working quite efficiently. The standard of cultivation is high. The fields are well planned and well maintained. The yield per acre on the farm is higher than that in the neighbouring individual holdings. They produce about 8 to 12 mds. of wheat per ghumaon (or 12 to 18 mds. per standard acre) as against 6 to 7 mds. in other individual holdings.

The President commands respect within as well as outside the society, and his leadership is accepted by all members. The affairs of the society, therefore, are managed smoothly and efficiently. The office-bearers and group leaders are also doing well. There is a dissident element in the society but it is confined to few members who have some differences with the management due mainly to personal reasons. But these people also believe in cooperative management and are working together with others in all operations.

Only within a few years of its establishment, the society has been able to repay loans to the extent of about five thousand rupees. Total assets of the society have also increased considerably. During the year 1954-55 alone there has been an increase of about Rs. 34,000 in the assets of the society.

It may be mentioned that the secretarial work and accounts need more attention. It is, however, to the credit of the members, who are not much educated, to have done the work themselves fairly satisfactorily.

The proportion of permanent hired labourers working on the cooperative farm also seems to be high (22 per cent.).

Members of the society believe that they can secure much more help and assistance from the State in developing their farm through the society than as individual farmers, even though there may be certain disadvantages for certain individual members. So far as their incomes from land are concerned (particularly in case of land holders) they expect that the increase in the assets of the society and consequently their share in it would be substantial. The small owners have got the satisfaction of getting a comparatively larger income. This was a strong incentive for the formation of the society, and their expectation has to a large extent been satisfied. They are now anxious to make progress in respect of the following schemes:—

(i) Construct a model village (the housing position at present is very unsatisfactory).

(ii) Construct a pucca road connecting the village with the main road about 2 miles away.

(iii) Have electricity to run the pump sets and enable them to start subsidiary industries.

(iv) Have a cooperative store (this has been delayed due to want of suitable accommodation).

For these purposes they desire funds as well as guidance. A scheme of a model village is still under consideration of the State. The members are anxious to continue the society but they are not inclined to extend the area of operation of the scoiety. There is another displaced person in the village holding 40 standard acres but they do not want to admit him as a member of the society on the ground that the members should have faith in cooperative methods and form a homogenous group, in which, they think he does not fit. It may also be mentioned that these people have made experiment not only in cooperative production but also in cooperative living. All the houses are owned by the society and are allotted to members according to their personal requirements. They had also run a common kitchen for some time but it proved to be unwieldy and was given up.

The President of the society has played a very important role in the establishment, organisation and management of the farm. He is able to make up all differences which may develop among the members. He is also able to secure state aid expeditiously.

STATEMENT I

BALANCE SHEET FOR THE YEAR 1953-54

Liabilities	Rs.			Assets	Rs.		
Deposits from members	19,004	9	6	Machinery & Tractor	16,726	0	0
Deposits from non-members	2,927	14	0	Houses	7,000	0	0
Government Aid	10,180	0	0	Furniture	910	13	0
Loans	12,077	0	0	Cattle	9,226	0	0
Outstanding creditors	18,551	8	0	Stock in hand	18,178	0	0
Add profit as per this year	18,074	4	0	Share in Co-operative Bank	250	0	0
				Advances to members	22,331	6	8
				Cash in hand	1,193	0	8
TOTAL	80,815	3	6		80,815	3	6

STATEMENT II

Profit and Loss statement for the year 1953-54

	Rs.				Rs.		
To staff salary	2,835	7	9	By profit from Pritam Singh's group . . .	2,809	13	3
To land Revenue . .	2,473	4	9	By profit from Gurbax Singh's group . .	6,809	12	3
To repairs	1,033	15	3	By profit from Surtan Singh's group . .	15,619	9	3
To interest . . .	723	3	6	By profit from Hari Singh's group . .	3,905	5	0
To entertainment . .	281	4	6	By profit from sale of cycle . . .	10	0	0
To miscellaneous . .	342	6	0	By profit from sale of cattle . . .	28	0	0
To travelling expenses . .	295	5	0	By profit from stock sold by society . .	1,033	6	9
To income to group . .	3,788	0	0				
To breakage of tools . .	203	13	3				
To audit fee . . .	3,383	0	0				
To depreciation . . .	11,339	2	3				
To profit transferred to Balance sheet . . .	87,790	3	0				
TOTAL . .	35.467	14	6	TOTAL . .	35,467	14	6

STATE : TRAVANCORE-COCHIN

SOCIETY: VADAYAR KARSHIKA COOPERATIVE FARMING SOCIETY LTD.

I. INTRODUCTORY.

Year of establishment . .	July, 1950.
Location . . .	The society is situated in village Vadayar (Pakuthi) 24 miles South of Ernakulam in Vaikom taluk, Kottayam District. The area of operation, which was originally limited to only Vadayar village has been extended to two more "pakuthies", Kaduthuruthi and Padinjaralkkara.
Audit classification . .	'C'
Membership . . .	The present number of members is 237, most of whom do not participate in actual farm work. All the members are either owners or tenants of land within the area of operation of the society. None of the members has left since the inception of the society.
Land held . . .	About 500 acres of land were to be cultivated by the society in 1955. The land belongs to the individual cultivator as owners or cultivators. All the land is irrigated by perennial canal or small river forming the boundaries of the blocks. In 1954-55 the following three blocks were cultivated by the society.

Block	*Area in acres*
1. Thekkeputhussery	73·46
2. Aravangery	48·05
3. Kolathattukari	31·39

Besides, the following two blocks were to be taken up for cultivation in 1955.

1. Thekkekari	249·16
2. Vadakkeputhusseri	98·16

II. GENERAL AND ECONOMIC CONDITIONS OF THE VILLAGE.

Like any place near the backwaters the area is overcrowded. The main occupation of the women especially among Ezhavas is coir yarn making for a pittance. There are no factories to absorb the surplus human labour. The men do mainly agricultural labour which usually does not last more than 100 days in a year. The holdings are very small. The main crops are coconut and paddy (Mundakan mostly and some Viruppu). On account of the low price of paddy, higher wage rates, high cost of manures, floods breaking the earthen bunds and lack of co-operative spirit among the members, paddy cultivation is not a profitable business. The comparatively high price of coconut results in some profit.

III. RIGHTS IN LAND.

The land is held by individual members as owners, tenants or as partners with the owners. The latter form is popular to circumvent the tenancy laws No land has been taken by the society from the Government.

IV. RIGHTS & LIABILITIES OF MEMBERS.

The President believes that a member cannot withdraw his land. So far no land has been withdrawn. The area of operation is increasing year after year since the inception of the society. In the year 1954-55 the area was 152.9 acres whereas during the current year it is 500.22 acres. The provision in the bye-laws require members to buy shares at the rate of one share of Rs. 10/- each per acre of land held by them.

The agricultural operations have to be done immediately after the heavy onset of the south-west monsoon and before the north-east monsoon. So the period is short and the cultivators naturally have to engage hired labour due to pressure of work. 75% of the cultivators do work like supervision, part of tilling, removing weeds etc.

Members retain holdings or part of holdings outside the farm. But no member is permitted to exclude his land in the 5 blocks taken up for cultivation by the society.

The extent of the land held by all the members outside the farm, but within the area of operation has not been assessed but it is roughly estimated to be 50% of the total land in the area of operations.

The members retain the right to take loans from sources other than the society itself. But loans due to the society is the first charge on the crop of the field in the blocks. It is not clear whether any dues to the Government will be the first charge having precedence over the charge of the society.

Between the members and the society the liability is unlimited. Whenever any dues are to be paid to the society the member concerned along with 2 other members who will be sureties, execute a joint bond agreeing to treat the crop as the first charge. But in regard to the liabilities of the society, the society being limited, the liability is also limited to the share value of a member.

V. ORGANISATION & MANAGEMENT.

There is a committee of 9 members to execute the programmes. The committee is to abide by the resolutions of the general body passed from time to time. The Registrar is empowered to nominate 2 persons but he has not done it so far. The committee

members are elected for a period of three years. From among the committee members a President and Vice-President are elected. A full-time paid Secretary is also selected with the Registrar's consent. He exercises all the powers of the Secretary without any voting power. The general body has a right to remove one or more members of the committee. To be binding, a decision of the executive committee has to be made by at least 5 members and in case of deadlock the Chairman will have a casting vote. The President also works as the treasurer and has the overall charge. The Secretary works under the general supervision and control of the President.

General body has enormous powers. It is the final authority in regard to the general administration of the society. Some of the main functions of the general body are:

1. to elect the committee and remove it.
2. to examine the Annual Report.
3. to amend, remove or add any rule.
4. to remove a member.
5. to hear complaints about the members of the committee made by members.
6. to send nominees to the Co-operative Union or Central Bank for a period of three years.

For undertaking buying and selling, the resolution of the Committee is enough; but before entering into any new business, the Registrar's prior permission is necessary.

The land is distributed into blocks, each block being allotted to a member or group of members for purposes of some agricultural operations as partners. A few major operations are however done at the society's collective responsibility.

For each block there is an executive committee of 7 members of whom 5 are elected by the block members and 2 are nominated by the Central Executive Committee from among the Executive Committee members. This committee has a President and a Convener elected by the Block Executive. In the biggest block (Thekkekari) a deviation from the general rule has been made to make the number in the committee 9, of whom 7 are elected. Even in the smallest block the number of members is 7. The present President of the society is the live-wire behind the whole movement. He has very able and sincere lieutenants as conveners of blocks to aid him. The President is a practising advocate and has land in 4 out of 5 blocks. The Vice-President is the Panchayat President of Thalayolaparambu. The society does not have a Manager. The

office bearers feel that a non-official Manager may not be of much help. They plead for an official Manager who will have some powers statutarily to recover dues from recalcitrant members.

Block and subsidiary operations.—The lands operated by the society are called 'Kari' and are always submerged under water. A particular type of weed called 'kari' grows profusely throughout these areas and is removed by plucking. The soil is saline and rich in organic matter. If the top soil is removed for a few feet, one finds everywhere partly decomposed wild wood driving one to the conclusion that once upon a time it was a dry land growing huge trees. Just above this, one finds layer of saltish soil which if brought to the top will destroy the crop. Some of the difficult tasks for the poor and small land-holders are to put earthern bunds to withstand the floods and high tide, remove weeds, keep the salt-layer undisturbed, dewater in three stages, firstly for ploughing or tilling, secondly for sowing and thirdly before harvesting to save the hay from decomposition. The bulk of the cultivators have only miniature holdings, the average size not exceeding 2 acres. However small the size of the holding be, a cultivator has to engage hired labour because the operations like tilling have to be completed in a short period.

These are single crop lands and the crop is Mundakan paddy. Being near the sea and adjacent to the backwater the water is brackish in most part of the year except during flood periods. The cultivation is started at a period when the harm from the brackish water is least and when there is a flow of fresh water along the rivers to the backwaters. Immediately after the heavy on set of the south-west monsoon the operations are taken up. Before the advent of this society the usual practice in most cases was to raise the bunds about one or two feet above water level and drive out water by leg-operated china-wheels. The cultivators having lands in the boundary of the canals or river had to put up these outer bunds all by themselves. It was customary to have only sub-standard bunds and internal bunds were very weak. During the north-east monsoon the outer bunds used to breach, destroying not only the crops where the breach occurred but also causing damage to the whole area. Some of the disadvantages of the previous system were that only the few rich land-holders could instal diesel engines for dewatering. The vast majority had to drive out water by means of the antiquated and inefficient china-wheels. The bunds were unsatisfactory and breach was a yearly occurrence. Sowing could not be done quickly and simultaneously. It was spread out for one or two months after September, resulting in poor crops and greater pest attack. The dewatering by china-wheel is costly, *i.e.* about Rs. 50-55 per acre, whereas by oil engine the cost is to Rs. 15-20.

By electric motor the pumping charges can still be reduced to Rs. 10 or so. The cultivators are notoriously individualistic and nobody used to allow his neighbour in the interior to get water for irrigation along his fields from the canals. Another problem confronted by the cultivators is, if the sowing is delayed due to the south-west monsoon, the ingress of salt water from the sea into the canals will make irrigation difficult and the crop will fail miserably.

In face of all these difficulties, this society functions as a "Better farming society". The principles of co-operative farming are visualized in the following:—

I. Common and standardised earthern bunding to resist North East monsoon flood.

II. Making canals inside the blocks for irrigation and allowing free flow of water from fields to the engine mouth during dewatering.

III. Common pumping arrangements from sowing till harvest. The first dewatering before tilling is done individually.

IV. Arriving at a joint decision about the date of sowing and seeds to be used.

Thus the principle of uniformity in some of the essential operations and liberty in the subsidiary operations is applied to a large extent. The society could not touch upon some other important functions like ploughing, manuring, harvesting introduction of improved techniques and implements, giving loans for buying seeds etc. All these are left to the discretion of the cultivators.

The society is too poor at present to own any equipment. At present members use their own equipment

Credit.—The sources are the Government, Taluk-Co-operative Bank and the Co-operative Central Bank. During the first year of operation (*i.e* last year) some money was advanced for bunding dewatering etc. by the society itself. Last year an amount of Rs. 1,000/- was borrowed from the Taluk Bank at 6% interest. It was repaid after harvest. The interest charged from ryots is 7½%. The Central Co-operative Bank had allowed Rs. 2,000/- at 6½% as loan but the sanction was obtained so late that the offer was not availed of.

Farm equipment.—At present the requirement of equipment is met individually. When the electricity extension is obtained the society hopes to acquire motors and pumps for Rs. 5,000/-.

Seeds and manures.—Seeds are obtained by the cultivators themselves. The Block Committee decides as to which seed will be sown that year. No arrangements are made for obtaining manures. The efforts of the society to get subsidised manure from Government, or manure on credit from other Co-operative Societies have not borne any fruit.

Marketing of Produce.—No arrangements have been made for marketing. About 90% of the cultivators do not have any salable surplus paddy. They are all marginal producers who do not get paddy enough to go the year round.

VI. DISTRIBUTION OF INCOME.

The accounts of each block are dealt with separately. If a breach of bund occurs in a block and an additional amount has to be spent in closing the breach or pumping out the water, the extra expenditure is met by the cultivators of the block in proportion to their area of land in that block.

The land is distributed into blocks, each block being allotted to a member or a group of members for purposes of some agricultural operations as partners. The society tackles only few of the operations and others are done by the individual members. The Block Committee is only for general supervision and the expenses are divided according to area on a *pro-rata* basis. The individual cultivator's share is debited and the amount is realised after or before harvest. The question of distribution of income has not yet arisen as there was only a loss last year.

The procedure to divide the net income as permitted by the Registrar is as follows:—

I. 1/10th of the net profit should go as Reserve fund.

II. 1/8th as permitted by the Registrar and on the basis of the Executive Committee's resolution can be given as bonus to members of the Committee in proportion to their work.

III. From the balance after the general body's decision an amount can be set apart to be distributed among the members in proportion to the paid up share value not exceeding 9% as dividend.

IV. Not more than 3% can be separated as general welfare fund.

V. An amount can be kept up, to be given as purchases bonus.

VI. 3% for building fund.

VII. A certain amount can be set apart as compensation fund

VIII. The remaining portion can be placed as dividend equalisation fund.

Proportional distribution of income for different purposes.—No income worth mentioning has accrued so far. The endeavour has been not to make profits for the society but to make the services like pumping, bunding etc., cheaper and more efficient to the individual cultivators. The sources of incomes were few like the entrance fee and small margin in the interest.

VII. STATE ASSISTANCE

(1) *Grant and loan.*—As against a promised grant of Rs. 2,000 only Rs. 1,000 were given by the Co-operative Department with an order to deposit the sum in a good bank and to make use of it only after the finalization of the rules by the Government. Accordingly the amount has been deposited safely in the Taluk Co-operative Bank. The Secretary was being paid Rs. 100 as his salary from the end of November 1954 by the Government.

The local Taluk bank has allowed a short-term loan of Rs. 1,000 at 6% interest of 1 year duration. It was returned after harvest in 1954-55 after meeting the current expenditure of bunding, dewatering, etc. Another loan of Rs 2,000 was granted by the Central Bank out of season. So the amount was not utilized.

(2) *Reduction in revenue.*—The Government is allowing 25% pumping subsidy in the Kuttanad area. The extent of that area was being enlarged but the legitimate demand of this society to include this also in the Kuttanad area under Punja Special Officer has fallen on deaf ears and the demand is still to be met.

(3) *Technical assistance.*—Nothing has been obtained in this respect. The office bearers said that they had not asked for any services of the Agriculture Department and they felt they had nothing to learn from them. The previous Registrar of Co-operative Societies had visited the office and the blocks. The Kottayam Deputy Registrar also inspected the office and superaudited the accounts.

(4) *Guidance and supervision.*—The Co-operative Inspector at Thalayolaparambu used to take interest in the society and give his advice while attending the meetings along with the Co-operative Union Supervisor. The Special Inspector for Co-operative Farming Societies took charge about 4 months ago but the existence of such an officer was not known to the society for a long time. The Inspector visited the society recently and promised his guidance in future. He told the Secretary that about Rs. 56,300 were available unspent with the Government to be given as loans and grants to co-operative farming societies. His jurisdiction is very wide as he has 12 taluks in his charge.

VIII FINANCE

Share capital.—590 shares subscribed in Rs. 4,151 as on 1st July, 1955.

Gross and net income.—Statement appended.

IX. DISSOLUTION

Terms and conditions of dissolution.—There is no provision in the bye-laws. The President thinks that it will be according to the provisions of the Co-operative Societies Act. At least the office bearers do not envisage such a contingency.

X. GENERAL

The following sub-rules were approved by the Registrar about the blocks:—

1. Each block will not be less than 5 acres and more than 140 acres.
2. The shares have to be subscribed by the owners or tenants according to size (for 1 acre, one share).
3. The making of bunds is the responsibility of the society and expenses are to be divided according to the area of land cultivated.
4. The amount to be spent on bunds is to be advanced by the society and got back with interest soon after harvest or before.
5. Sowing in a block should be simultaneous. Seed having same period of maturity should be used.
6. Dewatering should be the society's responsibility by inviting tenders.
7. Each block should have a sub-committee consisting of 7 members—2 of whom should be from the Executive Committee and 2 representing the big cultivators and three for the small cultivators of that block.

All the cultivators have to sign a bond agreeing to these rules.

The society has incorporated its bye-laws aims and objects like encouraging thrift and self-reliance, to distribute agricultural implements, to propagate and practise co-operative principles, to consolidate bits of lands and bring them under co-operative farming, to distribute cattle and manures, to undertake irrigation works, to popularise quality seeds, to undertake marketing, to propagate improved methods of cultivation and give demonstrations, to undertake direct cultivation and so on. It will be seen that the achievement compared to the aims and objects is not very encouraging. The authorised capital is Rs. 1 lakh; but even after 5 years, the working capital is hardly Rs. 5,000/-.

For standardisation, the size of the bunds has been laid down at $6\frac{1}{4}$ ft. at the bottom and $3\frac{3}{4}$ ft. wide at the top and 5 ft. high from the ground level. Also there should be an irrigation canal 5 ft wide and 3-1/8 ft. deep. The owners of land will be compensated for land taken for extra bund, irrigation canals and engine floor at the rate of 10 *Edangazhi* (about 16 lbs.) of paddy for every cent every year. Each member has to contribute according to area, for these recurring charges.

In the agreement the cultivators must agree to permit the society to recover the arrears under the land Revenue Recovery Act. The cultivators are mostly owners of these lands. In Aravankari block for example, all the 24 cultivators are owners. In a block if a member is unable to pay the share value, he continues to be a member but the share value is realised as early as possible. On any dues the interest charged by the society is $1\frac{1}{4}$ pies per rupee per month.

Last year the society collected Rs. 315 and spent Rs. 360 to make bunds for preventing the ingress of salt water. Though the outer bunding is the responsibility of the society, last year due to the shortage of funds, the society could not do it. But 30% of the farmer's bunding which could not be done by them due to poverty was done by the block. The average expenditure for bunding came to Rs. 45 per acre. The problem of dewatering could have been easily solved by electricity extension for a distance of less than $\frac{1}{2}$ mile. The average yield per acre is about 90 paras valued at Rs. 180. The actual cultivation expenses come to about Rs. 120. Taking into account Rs. 90/- as rent of the land, it is obvious that individual cultivation is a losing proposition. So the enlightened cultivators have realised that they can reduce the cost and increase the yield only by joining together.

It can be seen that the vast majority of the cultivators have joined the society and agreements have been executed. In Thekkeputhusseri block (area 74.62 acres) 34 owners with 72.16 acres have signed the agreements and in another block, Kolethattukari (31.29 acres), all owners except one (with 6.16 acres) signed the agreements. The bye-laws do not permit members to take more than 160 shares and everybody should subscribe for the shares at the rate of 1 share per acre. The maximum number per member is only 18. Recently two new blocks have been taken up. The bunding is given on contract basis as far as possible to the owner

Progress of the Society.—In the first few years since the inception of the society much progress could not be made. So far the Executive Committee met 58 times while there were 6 general body meetings, 4 special meetings and 11 general body meetings of the blocks.

The first annual accounts passed by the committee on 1st July 1951, was very modest. The receipts were Rs. 665 of which the entrance fee was Rs. 163 and it had made a profit of Rs. 57/-. The arrears of share capital were Rs. 502. The number of members then was 54 and number of shares subscribed 163.

The committee thought of making the society a "better farming one" under the Five Year Plan only in November 1953. When a communication was received from the Co-operative Department selecting this as Kottayam District, Joint Farming Society and promising to pay for a Secretary. During the initial years of comparative inactivity the society put up 9 bunds with public contribution for dual purpose, *viz.*, to save the fields from flood and later from brackish water. It goes to the credit of the society that in the first year it could substantiate its existence by bringing down the dewatering cost to a bare minimum due to keen competition among the pumping contractors. For the first time in the history of these cultivators, the dewatering of all the blocks was done by oil engines at cheap rates, of course, at a loss to the contractors.

It was also for the first time that expenditure for irrigation canal, engine floorings, bunding, etc., was equitably divided. Previously the brunt of the burden fell only on those, on whose land they were to pass or to be made. All others were enjoying the benefits without any sacrifice. For example, irrigation canals consumed the lands of few, but the benefits, even after quarrels were enjoyed previously by all. The *pro rata* division came only with the advent of the society. To take a concrete example, in Thekkeputhusseri for making canals, engine floorings etc., the expenditure came to Rs. 556-8-4 and it worked out among 41 cultivators of the block at the rate of Rs. 7-7-0 per acre.

The budget for 1954-55 approved by the general body envisages total receipts of Rs. 4,735 and expenditure of Rs. 10,684 including electric motors and pumps for Rs. 5,000.

However, there is a difficulty in respect of the accumulation of arrears. Though the agreement lays that arrears should be cleared before harvesting and notices were issued to defaulters, the number of defaulters of dues on 30th January 1955 in the blocks is as follows:—

Thekkoputhussori	...	17
Aravankeri	...	9
Kolathattukari	...	10

XI. CONCLUSIONS

Rate of interest.—The Reserve Bank charges only low rate of interest from State Co-operative Banks but when money reahes the primary society, the interest shoots up to 6½ % and the agriculturists get it at about 7½ % or above. The margin between the Government rate and the final rate levied from the ryot should not be greater than 1½ or 2 %.

Collection of arrears.—The present procedure, when recourse to Revenue Recovery Act is taken, cannot but be cumbersome and difficult. The award has to be obtained from the Arbitration Registrar having his headquarters in Trivandrum and then execute it through revenue officials. Speedier measures like divesting the powers to Deputy Registrar in the districts and giving some powers to the Special Inspectors for farming societies should be considered. At this rate in course of time when the area of operation of the society expands, the arrears will increase manifold. It is interesting to note that many of the present defaulters are not from the poorest class but from the middle class group who are to some extent evading payment not entirely due to inability.

Bunding and Dewatering.—The members can profitably plant a row of coconut plants on the bunds after they are formed. Such planting will provide additional protection to the bunds. The society's demand for subsidy cannot be ruled out as unreasonable as the cultivators are all marginal ones. At least the needy cultivators should be given long term land improvement loans at a rate of interest not exceeding 4½% at a flat rate of Rs. 25 per acre on the security of land.

It was also undesirable to have denied these blocks entry into Pumping Subsidy Scheme. The Government can immediately help these areas by extension of electric lines and issue of motors and pumps on hire purchase system. If this is done the entire area can be brought under the purview of such societies.

Seeds and manure.—The paddy crop being Mundoken and as sowing period extends from the late August to early November two varieties of seeds are sown. If sowing is late, short duration crops are used. The Agriculture Department should be able to supply improved strains of proved quality to resist flood and salinity and produce better yield. A manure depot and availability of manure on credit and using some free T.C.M. fertilizers are some other requirements which can be considered.

Ploughing and tilling.—One difficulty pointed out by the members is dearth of buffaloes due to the shrinkage of waste lands. The society can with the co-operation of some firms try tractor ploughing

and if no harm is done to the crop by disturbing the saltish layer below and if it is proved economical, loans can be advanced by the Government to purchase one tractor to start with.

Land improvements.—One effective method of improving the texture of the soil is by allowing free flow of fresh water to carry away the injurious salt and this flood water will deposit alluvium at the top. A canal was attempted for this purpose under the G.M.F. five years ago but it is still incomplete. If this canal is completed and few other branch canals are cut, nature will enrich those fields and remove the harmful salts. But the mouths of these canals and the river will have to be closed during the cultivation season to prevent flood water broaching the bunds and salt water polluting the irrigation water inside. As the cost of such small bunds is small, the Society should be able to do it in time.

Office, store and Government grant.—The office is now being run in a rented building at Rs. 10/- a month. When the activities enlarge, another office-*cum*-store in the field will be necessary. For both these, Government should give partial grant.

Arrears.—On 1st July 1955 the arrears of shares have been Rs. 609 but most of these defaulters do not have their fields in the five blocks. It is expected that when their land is included in the blocks, those amounts will be realised. Rs. 762-5-10 were also due from the members of the first three blocks on that date. Some speedier method to recover the arrears will have to be followed to improve matters.

Area of operation.—There are about 8,000 acres of land which can be brought under co-operative Farming. What the society has achieved, compared to what is left undone, is not much, and 60% of the whole area is in Vadayar. In the Executive Committee no representation is given to Kaduthuruthi and only one member is from Padinjarakkara.

Co-operative Banks.—To get Rs. 1,000 loan from the Taluk bank the Society had to take 4 shares of the Bank for Rs. 100/-. The Bank declares, 6% dividend. On the other hand the Co-operative Central Bank insists for taking shares valued at Rs. 100 each for giving Rs. 1,000 as loan. Due to top heavy administration and bad-debts the Bank gives only 2½% divided even after much difficulty. The interest it charges is 6½%. Sanctioning of loans at a proper time is most necessary, especially in the case of short-term loans bearing heavy interest. Since the society refused to take the loan granted by the Central Bank because it was too late. The society cannot get deposits from individuals because of a higher percentage of interest which it cannot afford to give.

STATEMENT I

BUDGET FOR 1955-56

Receipts	Rs. A. P.	Expenditure	Rs. A. P.	Expenditure	Rs. A. P.
Grant 1954-55	1,000 0 0	Rent	120 0 0	Sundries	75 0 0
Grant 1955-56	2,000 0 0	Cleaning	24 0 0	Chira (bunds across canals)	300 0 0
Entrance fees	500 0 0	Printing	75 0 0	Implements	500 0 0
Commission (per acre Rs. 0-8-0)	500 0 0	Stationery	100 0 0	Seeds	100 0 0
Seeds dealing	200 0 0	Meetings	75 0 0	Manure	150 0 0
Manure sales	1,000 0 0	Furniture	200 0 0	Peon	240 0 0
Contribution of bunds	150 0 0	Conference contribution	25 0 0	Field Officer's Pay	360 0 0
Panchayat contribution	100 0 0	T. A.	100 0 0	Aid to Blocks	1,000 0 0
TOTAL	5,450 0 0	Postage	50 0 0	Allowance to previous Secretary (for 11 months)	250 0 0
		Records	75 0 0	Motor and Pump	5,000 0 0
		Representation fees	2 0 0	Total	9,295 0 0
		Lighting	24 0 0		
		Committee sitting fees	200 0 0		
		Sub committee T.A.	100 0 0		
		Publicity	150 0 0		

APPENDIX

Questionnaire No. I

COOPERATIVE FARMING

GENERAL INFORMATION

1. Name of the society.
2. When was the society established?
3. Year of registration.
4. Location of the society.
5. Audit classification of the society.
6. Present number of members.
7. The number of persons who have left since the inception of the society.
8. The area of land held by the society under various rights; and classified according to source of irrigation.
9. Whether the land is comprised in one block or more than one block.
10. General and economic conditions of the village (briefly).

Questionnaire No. II

COOPERATIVE FARMING

I. *RIGHTS IN LAND*:

1. Whether the land was originally held by individual members of the Farm, as owners or tenants, or was pooled together when the society was formed?

2. Whether the land has been taken directly by the society itself, from the Government or from a person who is not a member and if so, whether as owner or as tenant?

Please state the extent of land acquired in each of the above ways. In case it is held as tenant please indicate whether with permanent rights or as tenants-at-will or special lessees?

II. *RIGHTS AND LIABILITIES OF MEMBERS*:

3. What are the rights and obligations of the members vis-a-vis Society and in particular:—

(i) Whether the members retain the right to withdraw their land from the Farm, or to transfer or lease it, and if so on what terms and conditions? How much area has been withdrawn from the Farm since its inception?

(ii) Whether any member is required to put in a minimum amount of labour. If not, the percentage of members who do not work on the Farm?

(iii) Whether any member retains any holding or part of a holding outside the Farm or whether all the land held by him is pooled in the Farm?

If any holding or part thereof is retained by any member, whether the land is in the area of operation of the society or outside it? How much area is held by members outside the Farm within its area of operation?

(iv) Whether the members retain the right to take loans from sources other than the Society itself?

(v) Are the liabilities of the members limited? If so, to what extent?

III. *ORGANISATION AND MANAGEMENT.*

4. Explain clearly and in detail the nature of organisation and management of the farm. Does the farm fall in any of the following three types of management? If it is more or less similar to one of these types but has some differences, explain these.

(i) The entire land is managed as one farm for all agricultural operations, the members being employed on wages by allotment of work among individual members or groups of members,

(ii) The society performs the principal agricultural operation (*e.g.* ploughing, sowing and harvesting) and for purposes of subsidiary operations such as weeding, hoeing etc., distributes the land into blocks, allotting each block to a member or group of members,

(iii) The land is distributed into blocks, each block being allotted to a member or group of members for purposes of all agricultural operations:—

(a) as tenants of the society, or

(b) as agricultural workers,

(c) as partners

In the case of a society of type of 4(i) or 4(ii) please state:—

(i) whether the society maintains—

(a) all the farms equipments such as bullocks, machinery and implements; or

(b) only some of it; or

(c) none of it.

In case of i(b) and i(c) above whether the farm equipment is obtained by the society from members or from non-membrs. In case of i(b), mention what portion of the equipment is furnished by the society, what portion is furnished by the members and what portion by non-members.

(ii) How is the work assigned among the members and by whom?

(iii) Are labour brigades organised for performance of particular tasks? If so, what is their constitution and function?

(iv) (a) How many members participate in—

(i) farming operations such as ploughing, sowing, hoeing weeding, harvesting etc.

(ii) non-farming operations such as supervision, marketing, maintenance of accounts etc.

(b) How many members do not participate in the operation and why? Are they resident or non-resident members?

5. Are non-members employed (other than casual labourers *e.g.*, for managerial, accounting duties) on the farm and if so on what terms? What proportion do they bear to the number of working members? How many of them belong to the families of the members and how many are outsiders In case of outsiders please mention whether they or other members of their families cultivate any land of their own in the village or contiguous villages. Whether any part of the land is allotted to individual members for their exclusive or personal use and if so, how much?

6. How is supervision exercised? Are any executive committees elected if so, explain their constitution and functions? Who is the President, Manager of the society. What is the paid staff of the society and what are their functions.

7. In case the society belongs to type 4(ii) and 4(iii) state whether a block is allotted for subsidiary operations with reference to land contributed by the members;

(a) in what respects do the members cooperate; (i) in farm operation (ii) in non-farm operations etc.

(b) how are the farm equipments, livestock, wells etc. jointly held by the society made available to different members or groups of members.

8. Whether the society lays down any particular plans for cultivation;

9. What are the arrangements regarding the supply of credit, farm equipment, seeds, manures and marketing of produce. Explain in detail.

IV. *DISTRIBUTION OF INCOME.*

10. In case of Societies belonging to types 4(i) and 4(ii)—

(a) whether the wages are paid on piece work basis, wage rate basis or as a share of the crop? In cash or in kind?

(b) whether the wages paid for a day's work are equal to the customary wages prevailing in the locality or whether they are higher or lower?

(c) whether the wages are increased or reduced according to the quality of the work performed? If so how is it judged and by whom?

(d) whether any payment for special type of work, such as supervision, is made?

(e) in cases/where the land was pooled by individual members, whether any 'ownership dividend' (*i.e.* share of the produce with reference to the land pooled by each member) is given, and if so, at what rate? Whether the 'ownership dividend' is equal to the prevailing rent of the land?

(f) Whether any further payment (bonus profits etc.) is made to the members over and above the wages and 'ownership dividend' and if so, on what basis?

11. In cases where the society belongs to type 4(iii) how is the income distributed between the society and the allottees of the blocks?

12. What is the proportion of income set aside for—

(i) productive investment and development;

(ii) meeting distress and calamities;

(iii) general development such as health, education etc; and

(iv) other funds;

V. *STATE ASSISTANCE.*

13. What is the extent of State assistance rendered during the past 3 years?

(i) Financial — (a) as subsidy,

(b) as interest free loan,

(c) as interest bearing loan,

In cases of loans, rate of interest and the period of recovery. (Short term, Medium term etc.) Purposes for which loans or subsidies were given.

(ii) Reductions in land revenue or rent, cesses, local rates, water rates, or agricultural income-tax;

(iii) Technical assistance and advice, facilities, for obtaining improved seeds, fertilizers, implements, cement etc.

(iv) Guidance and supervision in the day to day management of the Farm (*e.g.* State providing a manager).

(v) Priorities for obtaining cultivable land or waste land in order to increase the size of the farm,

(vi) Consolidation—whether the land was consolidated and if so, whether consolidation was carried out free of cost or on payment by the society.

VI. *FINANCE.**

14. What is the capital of the Society?

(a) Contributed by members,

(b) Given as subsidy by Government,

(c) Given as loan by Government,

(d) Obtained from Central Cooperative Bank or other Co-optrative institutions,

(e) Obtained out of the income of the farm,

(f) Loan on mortgage of land.

15. What is the value of the livestock, implements and machinery owned by the Society?

(a) contributed by the members,

(b) purchased by the Society.

16. Any data available about the gross and net income of the Farm.

VII. *DEVELOPMENT.*

17. Has the Society undertaken any land improvement schemes and if so please list the improvements and the amount invested in such improvements?

18. Has mechanisation of agricultural operations been undertaken, if so, to what extent, which operations are performed by machinery and which otherwise.

19. Has the society set up any processing or subsidiary industries if so, describe their main features.

20. Does it undertake marketing? If so, give details.

21. Has it undertaken any public utilities or social activities, such as construction of roads, wells for drinking, drainage, and

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*(Information on these points would be available in balance-sheet of the Society. If so, a copy of the balance-sheet for the latest year may be enclosed.)

community centres, opening of schools or provision of medical aid etc. How have the members (i) contributed (ii) benefited from these.

VIII. *DISSOLUTION.*

22. What are the terms and conditions on which the farm can be dissolved?

IX. *COMMUNITY PROJECTS AND NE.S.*

If the village is situated within a community project or a N.E.S. area, has the society been able to take advantage of it in developing its operations? if so, in what manners?

X. *GENERAL*

1. Remarks on efficiency of operation of society particularly in respect of agricultural standards maintained, layout of from and crop rotations and finances.

2. How do yields per acre on this farm compare with yields under similar conditions of soil and irrigation on individual farmer's lands in the area?

3. What are the attitudes of the members towards the functioning of the society? What led them to form themselves into the society? What advantages did they expect? Have their expectations been fulfilled and are they satisfied with what they get out of the society? Do they consider the society to have been successful? What do they think are the steps necessary for improving the functioning of the society? What further aid do they desire? Do they wish to continue the society and to increase its scope of operation? Give the attitudes of the large and the smaller shareholders separately. Is there any member who commands respect and obedience of all other members? What has been his role in the organisation and management of the farm?

Table 1.—Details about the members

Sl. N.	Member's name	Father's name	Age	Date of Joining	Residence *	Caste & occupation	Area contributed	Approximate number of work days put in per annum	Remarks **
1	2	3	4	5	6	7	8	9	10
									**

*If the man does not reside in the village in which the farm is situated please mention his place of residence and its distance from the village.

**In the remarks column please state if any of the members are related to one another and if so how they are related.

APPENDIX

COOPERATIVE FARMING SOCIETIES

A. General Information

1. Name of the society.
2. When was the society established?
3. Year of registration.
4. Location of the society.
5. Audit classification of the society.
6. Present number of members.
7. The number of persons who have left since the inception of the society.
8. The area of land held by the society under various rights; classified according to source of irrigation.
9. Whether the land is comprised in one block or more than one block.
10. General economic conditions of the village (briefly).

B. Questionnaire

I. *RIGHTS IN LAND*:

1. Whether the land was originally held by individual members of the Farm as owners or tenants or was it pooled together when the society was formed?

2. Whether the land has been taken directly by the society itself from the Government or from a person who is not a member and if so, whether as owner or as tenant? Please state the extent of land acquired in each of the above ways. In case it is held as tenant please indicate whether with permanent rights or as tenants—at—will or special lessees?

II. *RIGHTS AND LIABILITIES OF MEMBERS*:

3. What are the rights and obligations of the members vis-a-vis the Society and in particular:—

(i) Whether the members retain the right to withdraw their land from the Farm or to transfer or lease it, and if so, on what terms and conditions? How much area has been withdrawn from the Farm since its inception?

(ii) Whether any member is required to put in a minimum amount labour. If not, what is the percentage of members who do not work on the Farm?

(iii) Whether any member retains any holding or part of a holding outside the Farm or whether all the land held by him is pooled in the Farm?

If any holding or part thereof is retained by any member, does that lie in the area of operation of the society or outside it?

How much area is held by the members outside the Farm but within the Society's area of operation?

(iv) Whether the members retain the right to take loans from sources other than the Society itself?

(v) Are the liabilities of the members limited? If so to what extent?

III. *ORGANISATION AND MANAGEMENT*:

4. Explain clearly and in detail the nature of organisation and management of the farm. Does the farm fall in any of the following three types of management? If it is more or less similar to one of these types but has some differences, explain these.

(i) The entire land is managed as one farm for all agricultural operations, the members being employed on wages by allotment of work among individual members or groups of members.

(ii) The society performs the principal agricultural operations (*e.g.* ploughing, sowing and harvesting) but for purposes of subsidiary operations such as weeding, hoeing etc., it divides the land into blocks, allotting each block to a member or group of members.

(iii) The land is divided into blocks, each block being allotted to a member or group of members for purposes of all agricultural operations:—

(a) as tenants of the society, or

(b) as agricultural workers, or

(c) as partners.

In the case of a society of the type of 4 (i) or 4 (ii) please state:—

(i) whether the society maintains:—

(a) all the farm equipment such as bullocks, machinery and implements, or

(b) only some of it, or

(c) none of it.

In case of i (b) and i (c) above, state whether the farm equipment is obtained by the society from members or from non-members. In case of i (b), mention what portion of the equipment is furnished by the society, what portion is furnished by the members and what portion by non-members.

(ii) How is the work assigned among the members and by whom?

(iii) Are labour brigades organised for performance of particular tasks? If so, what is their constitution and function?

(iv) (a) How many members participate in:—

(i) farming operations such as ploughing, sowing, hoeing, weeding, harvesting etc.

(ii) non-farming operations such as supervision, marketing maintenance of accounts etc.

(b) How many members do not participate in the operations and why? Are they resident or non-resident members?

5. Are non-members employed (other than as casual labourers, *e.g.*, for managerial and accounting duties) on the farm and if so, on what terms? What proportion do they bear to the number of working members? How many of them belong to the families of the members and how many are outsiders? In the case of outsiders, mention whether they or other members of their families cultivate any land of their own in the village or contiguous villages. Is any part of the land allotted to individual members for *their exclusive* or personal use and if so, how much?

6. How is supervision exercised? Are any executive committees elected. If so, explain their constitution and functions? Who is the President or Manager of the society? What is the paid staff of the society and what are their functions?

7. In case the society belongs to type 4 (ii) or 4 (iii) state whether a block is allotted with reference to the land contributed by the members.

Please also state:—

(a) in what respects the members cooperate in (i) farm operations (ii) non-farm operations.

(b) how the far equipment livestock, wells, etc. jointly held by the society are made available to different members or groups of members.

8. Does the society lay down any particular plans for cultivation?

9. What are the arrangements regarding the supply of credit, farm equipment, seeds, manures and marketing of produce? Explain in detail.

IV. *DISTRIBUTION OF INCOME*:

10. In the case of Societies belonging to types 4(i) and 4(ii) state:

(a) Whether the wages are paid on piece work basis, wage rate basis or as a share of the crop? In cash or in kind?

(b) Whether the wages paid for a day's work are equal to the customary wages prevailing in the locality or they are higher or lower?

(c) Whether the wages are inceased or reduced according to the quality of the work performed? If so, how is it judged and by whom?

(d) Whether any payment for special type of work, such as supervision, is made?

(e) In cases were the land, was pooled by individual members, whether any 'ownership divident' (*i.e.* share of the produce with reference to the land pooled by each member) is given, and if so, at what rate? Is the 'ownership dividend' equal to the prevailing rent of the land?

(f) Whether any further payment (bonus, profits, etc.) is made to the members over and above the wages and 'ownership dividend' and if so, on what basis.

11. In cases where the society belongs to type 4(iii) how is the income distributed between the society and the allottees of the blocks?

12. What is the proportion of income set aside for:—

(i) productive investment and development,

(ii) meeting distress and calamities,

(iii) general development such as health, education, etc., and

(iv) other funds.

V. *STATE ASSISTANCE*:

13. What is the extent of State assistance rendered during the past 3 years?

(i) Financial—(a) as subsidy.

(b) as interest free loan.

(c) as interest bearing loan.

In cases of loans, mention rate of interest, the period of recovery (short term, medium term etc.) and the purpose for which loans or subsidies were given.

(ii) Reductions in land revenue or rent, cesses, local rates, water rates, or agricultural income-tax,

(iii) Technical assistance and advice, facilities for obtaining improved seeds, fertilizers, implements, cement etc.

(iv) Guidance and supervision in the day to day management of the farm (*e.g.* the State providing a manager),

(v) Priorities for obtaining cultivable land or waste land in order to increase the size of the farm,

(vi) Consolidation—State whether the land was consolidated and if so, was consolidation carried out free of cost or on payment by the society?

VI. *FINANCE*:

14. What is the capital of the Society?

(a) Contributed by members,

(b) Given as subsidy by Government,

(c) Given as loan by Government,

(d) Obtained from Central Cooperative Bank or other Co-operative institutions,

(e) Obtained out of the income of the farm,

(f) Loan on mortgage of land.

15. What is the value of the livestock, implements and machinery owned by the Society?

(a) contributed by the members,

(b) purchased by the Society.

16. Supply the data available about the gross and not income of the Farms?*

VII. *DEVELOPMENT*:

17. Has the Society undertaken any land improvement schemes and if so, please list the improvements and the amount invested in such improvements?

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*Information on these points would be available in the balance sheet of the Society so, a copy of the balance sheet for the latest year may be enclosed.

18. Has mechanisation of agricultural operations been undertaken? If so, to what extent and which operations are performed by machinery and which otherwise?

19. Has the society set up any processing or subsidiary industries? If so, describe their main features.

20. Does the society undertake marketing? If so, give details.

21. Has it undertaken any public utilities or social activities, such as construction of roads, wells for drinking, drainage, community centres, opening of schools, provision of medical aid etc? How have the members (i) contributed for and (ii) benefited from these?

VIII. *DISSOLUTION*:

22. What are the terms and conditions on which the farm can be dissolved?

IX. *COMMUNITY PROJECTS AND N.E.S. BLOCKS*

If the village is situated within a community project or a N.E.S. Block, has the society been able to take advantage of it in developing its operations? If so, in what manners?

X. *GENERAL*:

1. Remarks on efficiency of operation of the society, particularly in respect of the agricultural standards maintained, layout of the farm, crop rotations and finances, may please be given.

2. How do yields per acre on this farm compare with yields under similar conditions of soil and irrigation on individual farmer's lands in the area?

3. What are the attitudes of the members towards the functioning of the society? What led them to form themselves into the society? What advantages did they expect? Have their expectations been fulfilled and are they satisfied with what they get out of the society. Do they consider the society to have been successful? What do they think are the steps necessary for improving the functioning of the society? What further aid do they desire? Do they wish to continue the society and to increase its scope of operation? Give the attitudes of the larger and the smaller share-holders separately. Is there any member who commands reverences and obedience of all other members? What has been his role in the organisation and management of the farm?

COOPERATIVE FARMING

Table 1 Details about the Members

Sl. No.	Member's name	Father's name	Age	Date of Joining	Residence*	Caste & occupation	Area contributed	Approximate number of days of works put in per annum.	Remarks**
1	2	3	4	5	6	7	8	9	10

*If the Member does not reside in the village in which the farm is situated, mention his place of residence and its distance from the village.

**In the remarks column, state if any of the members are related to one another and if so, how they are related.

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